

**ACCOUNTING FOR THE BUSINESS START-UP  
EXPERIENCES OF AFGHAN REFUGEES IN  
CHRISTCHURCH, NEW ZEALAND**

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## Acknowledgments

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It was a gorgeous spring day in 1999 and I was walking along Ferry Road, Christchurch towards my homestay where I was living with a caring Kiwi family. I had already spent the few hundred dollars that I brought with me to the country. As a teenager I was not thinking of having a good time and partying. Instead I was thinking about my family that I left behind. I was desperate to find a job. I had heard that if I had a job, I could sponsor my parents to New Zealand. I was not sure which door to knock on for employment. Suddenly, I saw a sign on the side of the road 'Vacancy', with an arrow pointing to a building. I went straightaway to the building and found the reception counter. A beautiful lady behind the counter asked me if she could be of assistance. With broken English and a strong Afghan accent, I pointed to the sign in front of the building and said, "You have a vacancy?" She politely said with a smile, "We are a motel and that sign means we have rooms available for guests, not a job". I was very embarrassed and at the same time disappointed and left, but I must say my desperation and dedication towards my family helped me find two jobs within a very short time.

I always remember that particular incident with a big smile and this is the first time I have written about it. That incident has always been in the back of my mind and encouraged me to choose this topic so I could be one of those who has somehow assisted people from a refugee background to bring out their voice, their problems, their challenges, their dedication and their success stories to the academic circles of New Zealand and probably to the world.

I would like to express my gratitude towards the participants of this research, the people from refugee backgrounds. Thank you very much for giving your time to this research and for trusting me and telling me about your experiences in New Zealand. These refugees are not the entrepreneurs driving Ferraris or living in huge multi-million dollar mansions (not yet anyway). Instead they are ordinary people who have run away from the warzone to save their and their children's lives. They are people who have set up small businesses to support their children towards a better future in New Zealand. I am very grateful to them for letting me write about their business start-up stories.

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## **Abstract:**

New Zealand is rapidly becoming a strongly multicultural society with nearly one in four of its citizens born overseas (Statistics New Zealand, 2006). Immigrants enter New Zealand under many different classifications, such as skilled migrants, entrepreneurs, investors, and refugees. Finding employment and a means of survival in their new society is an undeniable challenge for most, if not all, of these immigrants and people from refugee backgrounds. Some of them find employment in established Kiwi organisations while others establish their own businesses and become entrepreneurs.

A review of the literature revealed that there has been considerable research on entrepreneurial behaviours of immigrants and refugees in general, but little is known about the experiences of entrepreneurs from refugee backgrounds in New Zealand, specifically Afghan entrepreneurs and how their experiences differ from their counterparts who came to New Zealand from other countries.

This qualitative research project studies Afghans (N=23) from Christchurch who established their own businesses and the sense they have made of their experiences, both as refugees and as business owners. It also briefly compares the major findings with those of their refugee counterparts from other countries (N=6) to see if there are any major differences between the two groups' start-up experiences in New Zealand.

Participants were selected from those in the Afghan community in Christchurch who are from a refugee background, using a snowballing technique. The comparison group consisted of six refugees from Zimbabwe, Somalia, South Sudan, Ethiopia and Sri Lanka.

The findings of this study have been categorised into two parts. The first part discusses the initial experiences of the participants in New Zealand society, how they settled into New Zealand, what strategies they used to integrate into their new society, how they financed their lives in New Zealand, and eventually how they became economically independent. The second part of the findings discusses the motivators behind the participants' business start-ups, the types of businesses that they established and how these businesses assisted them as a gateway

to other business ventures or activities. This section further investigates the challenges the refugees faced during their business start-up stage and the strategies they adopted to address these challenges. The data indicated that, while the Afghan refugees faced many challenges in establishing their own businesses, three were of particular importance to them. These were (1) financial challenges (2) licensing requirements and (3) English language ability for obtaining business licenses. These were different from the comparison group because of the different industries the two groups of business owners chose to start.

This research presents a very important finding. When participants' experiences were examined to see how they account for personal and business success it was clear it is the social fabric of a collectivist and religious way of life and the associated sense of obligation to support each other that are the most significant factors shaping Afghan refugees' business start-up behaviour. These factors led them to guide and mentor each other towards economic security and a lifestyle that fitted well with their family and religious obligations and self-identity.

In addition to showing how Christchurch Afghan refugees' business start-ups were used as a means to meet their social objectives, this research and the model that emerged from it offer unique insights into three key drivers: economic security, lifestyle–enterprise fit, and self-identity. These factors, together with age and family circumstances, shaped the decisions associated with starting businesses in New Zealand to determine the pathway chosen.

The findings of this research are important as New Zealand is opening its doors to more refugees and very little is known about more recent refugee groups like those from Afghanistan. The findings provide a rich and unique contribution to refugee entrepreneurship and enterprise development literature in New Zealand and a model that could be used as a framework for further studies on the subject by those agencies that support refugees and their business start-up ventures as well as government agencies dealing with refugee resettlement and employment.

## Contents

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Acknowledgments.....	1
Abstract:.....	3
List of tables: .....	8
List of figures:.....	8
CHAPTER ONE – Introduction to research .....	9
1.1 Introduction .....	10
1.2 Definitions.....	11
1.3 Organisation.....	12
CHAPTER TWO – 2.0 Literature review.....	13
2.1 Introduction .....	14
2.2 Setting the scene: Refugee and migrant entrepreneurship .....	14
2.3 Refugees and ethnic minority acculturation and adaptation .....	16
2.4 Block mobility.....	19
2.5 Opportunity structure .....	20
2.6 Challenges that refugee and immigrant entrepreneurs may face.....	21
2.7 The New Zealand refugee experience .....	23
2.8 Sensemaking and its influence on the decision making of refugees .....	26
2.9 Limitations of literature .....	28
2.10 Conclusion.....	28
CHAPTER THREE – Research approach .....	29
3.1 Introduction .....	30
3.2 Research questions .....	30
3.3 Research paradigm .....	
3.4 Data collection .....	31
3.4.1 Semi-structured interviews.....	31
3.4.2 Sampling: Snowballing non-probability .....	32
3.5 Data analysis .....	34
3.6 Ethical considerations .....	34
CHAPTER FOUR – Findings Part I – The New Zealand experience.....	36

4.1 Introduction .....	36
4.2 Settling into New Zealand .....	37
4.3 Societal acceptance and integration.....	39
4.4 Economics of living as a refugee in New Zealand .....	43
4.4.1 Trying to earn a living.....	43
4.4.2 Approaching and interacting with prospective employers.....	45
4.4.3 Role of agencies and other supporters .....	46
4.4.4 Types of jobs they secured and how they related to employers and other workers.....	48
4.5 Pathways to economic independence .....	49
4.5.1 Sufficing.....	50
4.5.2 Business start-up.....	51
4.5.3 Upskilling and re-education .....	52
4.6 Conclusion:.....	53
CHAPTER FIVE – Findings – Part II: Business start-up experience .....	54
5.1 Introduction .....	55
5.2 Motivation for business start-up .....	55
5.2.1 Economic security and independence .....	55
5.2.2 Lifestyle–enterprise fit .....	56
5.2.3 Self-identity .....	57
5.3 Types of business start-up .....	58
5.3.1 Taxi driving as a gateway .....	58
5.3.2 Opportunistic business start-up.....	59
5.3.3 Community support organisations .....	60
5.4 The way start-up was achieved.....	60
5.4.1 Selecting a business sector .....	60
5.5 Challenges of business start-up for refugees.....	61
5.5.1 Financial challenges .....	61
5.5.2. English language and business licensing.....	62
5.6 Strategic choices .....	63
5.7 Conclusion:.....	63
CHAPTER SIX – Discussion .....	65

6.1 Introduction .....	67
6.2 Settling into New Zealand .....	67
6.3 Societal acceptance and integration.....	69
6.4 Economics of living as a refugee in New Zealand .....	71
6.4.1 Trying to earn a living.....	71
6.4.2 Approaching and interacting with prospective employers.....	72
6.4.3 Role of agencies and other supporters.....	72
6.4.4 Types of jobs they secured and how they related to employers and other workers.....	73
6.5 Pathways to economic independence .....	74
6.5.1 Business start-up.....	75
6.5.2 Upskilling and re-education .....	76
6.6 Motivation for business start-up .....	77
6.6.1 Economic security .....	77
6.6.2 Lifestyle–enterprise fit .....	77
6.6.3 An independent ‘agentic’ self-identity .....	77
6.7 Types of business start-ups.....	78
6.7.1 Taxi businesses as a gateway .....	78
6.7.2 Opportunistic business start-ups .....	79
6.7.3 Community support organisations .....	79
6.8 The way the start-up was achieved .....	80
6.9 Selecting a business sector .....	80
6.10 Challenges of business start-up for refugees.....	80
6.10.1 Financial challenges .....	81
6.10.2 English language and business licensing.....	81
6.11 Strategic choices .....	82
CHAPTER SEVEN – Conclusion .....	83
7.2 Conclusion.....	86
7.3 Limitation of research and future studies.....	87
CHAPTER EIGHT – Recommendations .....	89
8.1 Recommendations .....	89
References .....	92



Appendices.....	98
Appendix one: Human Ethics Committee Approval .....	99
Appendix two: List of questions that were asked from each participant.....	100

### **List of tables:**

---

Table 2.3: Acculturation strategies.....	17
Table 3.5: Demographic table of the research participants .....	32
Table 4.4.1: Number of participants and their backgrounds.....	44
Table 6.3: Consequences of acculturation strategy .....	68

### **List of figures:**

---

Figure 7.1: Accounting for the business start-up experiences of Afghan refugees in ChCh .....	84
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## **CHAPTER ONE – Introduction to research**

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## 1.1 Introduction

New Zealand is rapidly becoming one of the multicultural societies in the world with between 20% and 25% of its citizens born overseas. According to Immigration New Zealand, the number of immigrants has dramatically increased in the last few years. Data gathered from the Immigration New Zealand website indicates that between 2008 and 2013, Immigration New Zealand has approved 7008 refugee applications, 3766 residence applications under the entrepreneurs' category, and 227,396 applications under skilled migrant and other categories (Immigration New Zealand, 2013).

The criteria for approving the entry of migrants as residents differ depending on which category they apply for residency under. For instance, in order for asylum seekers to gain entry to New Zealand they need to prove that they can no longer live in their country of birth because they will be prosecuted due to their political, religious or ethnic backgrounds. On the other hand, those who gain residency in New Zealand under the entrepreneurs' category must meet very different criteria. These criteria include a very good knowledge of the English language, access to a substantial financial resource, and a business plan that could satisfy the New Zealand Immigration Department as a viable business plan (Immigration New Zealand, 2013). Finally, those who come to New Zealand as skilled migrants have to go through a points system where their age, education level, English language ability and many other factors are evaluated, and if they obtain a sufficient score they then gain New Zealand residency (Immigration New Zealand, 2013).

Many of these new immigrants find employment in traditional kiwi organisations while some become self-employed entrepreneurs. A search of literature revealed that while there has been a significant amount of research on ethnic and migrant entrepreneurship and business start-up, there is a dearth of empirical studies on refugee entrepreneurs, especially in the New Zealand context.

To conduct this research an inductive qualitative study was conducted that used snowball techniques to locate skilled refugee entrepreneurs in Christchurch. In-depth semi-structured interviews were used to collect these entrepreneurs' enterprise development narratives. These interviews were then examined to identify the chronology of events and actions taken in order to establish their businesses, the resources accessed and the ease with which this occurred, the range of factors that entrepreneurs believed helped and hindered their enterprise development and how each one accounted for their enterprise development experience. The findings from Afghans with refugee backgrounds were then compared with the findings from the comparison group to establish how experiences and sensemaking of these people differed.

## 1.2 Definitions

For this study there are three main terms that need to be defined:

**Entrepreneur:** The Irish-French economist Contillon is credited with first coining the term 'entrepreneur'. Contillon (as cited in Dana, 2006) defined the term as, "any person taking the risk to work for oneself" (p. 3). This is not the only definition, however. Many definitions exist and it is fair to say the term is now quite contested. Schumpeter (2012) for example, focuses not on risk-taking but on transformation. He proposes that an entrepreneur is someone who is able to take an idea and transform it into an innovation.

Belshaw (as cited in Dana, 2006, p. 4) proposes "An entrepreneur is someone who takes the initiative in administering resources". He further explained, "He is probably not an entrepreneur unless he does undertake ordinary management tasks" (p. 3). In the context of this study the first and the last definitions are more relevant.

**Refugee:** "Any person who, owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or,

owing to such fear, is unwilling to return to it” (United Nations High Commission for Refugees [UNHCR], 2013).

**Asylum seeker:** “An asylum seeker is someone who has fled their country of origin and applied for protection as a refugee either immediately on arrival in another country or sometime thereafter. Specifically, an asylum seeker is “someone who says he or she is a refugee, but whose claim has not yet been definitively evaluated” (UNHCR, 2013).

**Quota refugees:** “These are people who have been determined by the UNHCR to be refugees and are resettled as part of Aotearoa New Zealand’s Refugee Quota Programme. These refugees are referred to in this paper as quota refugees” (Bloom and O’Donovan, 2013, p. 7).

### 1.3 Organisation

This thesis is organised in the following way. Firstly, the literature on refugee and migrant entrepreneurship is reviewed to provide the rationale for the study. Then concepts that were found useful for interpreting the findings are explored. These are acculturation, adaptation, block mobility and opportunity structure. Then what is known about the challenges refugees face and the New Zealand refugee situation are presented. Finally, because the study was interested in exploring how refugees make sense of their start-up experience, the literature review concludes with an exploration of what is known about the influence of sensemaking on the decision making of refugees.

Following the literature review is a chapter on the research approach (Chapter Three) that begins with the research questions. The findings (Part 1 and Part 2) are presented in the next two chapters. These chapters are titled ‘The New Zealand Experience’ and ‘Business Start-up Experience’ respectively. These findings are then discussed in Chapter Six. Chapter Seven draws the thesis together by presenting a conceptual model that integrates the factors that were found to define the Afghan refugees’ start-up experiences. The thesis finishes with a short chapter on recommendations drawn from the study.

## CHAPTER TWO – 2.0 Literature review

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## 2.1 Introduction

This literature review begins by exploring what is known about immigrant and refugee entrepreneurship. It will then move on to discuss themes and a theory that has been identified as very important by the extensive literature review on refugees and immigrant entrepreneurship. These are block mobility, opportunity structures and the uniqueness of refugees' enterprise development experiences along with acculturation theory.

It then moves on to discuss the scant New Zealand literature and what it reveals about the distinctive experiences of refugee and immigrant entrepreneurs in New Zealand and compares it with what has been revealed in overseas studies. Towards the end, it will address sensemaking and its influence on the decision-making process of Afghan refugees.

## 2.2 Setting the scene: Refugee and migrant entrepreneurship

Although there is substantial international research on refugee entrepreneurship, there is not much written on New Zealand refugees' entrepreneurship. This research will try to fill the literature gap with regard to Afghan refugees. At international level, many scholars (e.g., Bulla & Hormiga, 2011; Chand & Ghorbani, 2011; Kloosterman & Rath, 2003; Piperopoulos, 2010; Chaganti & Greene, 2002; Raijman & Tienda, 2000) have studied in depth refugee, ethnic and minority entrepreneurship. In the New Zealand context de Vries is one of the few scholars who has conducted extensive research on ethnic entrepreneurship. His scholarship includes a study of entrepreneurial activities of immigrants from Indian, Chinese, Pacific and Dutch backgrounds and a study of migrant women entrepreneurs in New Zealand. These studies indicate that there are some similarities and differences in start-up drivers and behaviours across gender and ethnic backgrounds of entrepreneurs.

De Vries and Dana (2012) report that, "ethnic women immigrant entrepreneurs display many of the classic entrepreneurial traits and attributes of migrant peoples, but also many of the gender challenges. Significant differences between ethnic women immigrant entrepreneurs and their male counterparts were also identified, such as motivations, business types, and competencies" (p. 502). Discrimination, social, language and acceptance challenges as well as employment stress in their workplace have been the factors that have influenced their decision on starting

up independent businesses. Additionally, their sense of achievement, action orientation as well as internal locus of have been significant factors in their decision-making process for becoming entrepreneurs in their new country.

De Vries' (2012) study on Indian entrepreneurs also reveals similar factors. Although creating employment, good income and achieving good quality of life have been the drivers of entrepreneurship, the main reason for becoming an entrepreneur among Indians in New Zealand is being someone, someone who could be proud of being his/her own boss and has control over his destiny.

(North & Trlin, 2004; Akoorie, 2006; Pio, 2007) who studied entrepreneurs from China, Lebanese Greece, and Indian female entrepreneurs respectively, have also pointed out the similar facts behind entrepreneurship. Pio (2007), like other researchers of entrepreneurship, emphasises the drivers behind Indian women's entrepreneurship. This study reports that one of the drivers behind business start-up for Indian females is discrimination in the labour market. Pio (2007) reports that, "New Zealand, a country built on immigration, is still grappling with issues of a multicultural workforce, particularly in the wave of recent non-European immigrants" (p. 413).

Although these are very valuable studies on immigrant entrepreneurship, scant attention has been paid to refugee entrepreneurship until recently, especially in the New Zealand context. One of the recent overseas studies that has been conducted on refugee entrepreneurs is by Wauters and Lambrecht (2008) in Belgium, who report that "Entrepreneurship among immigrants has attracted a lot of scientific attention in the last decades, while scientific interest for refugee entrepreneurship has been limited up to now" (p. 510). They report that refugees encounter many problems establishing themselves in a new society, including obtaining a decent job. This appears to be due to a combination of lack of knowledge and skill as well as discrimination in the labour market. Kloosterman, Van der Leun and Rath (2000) argue that for refugees, setting up their own business can provide a valuable way out of their economic uncertainty and can also serve as a means of stimulating their integration into their new society. International literature on immigrant entrepreneurs reveals that block mobility (being



forced to stay in the lower tier of the society) and opportunity structure (where immigrants move to familiar industries where training is available and entry barriers are low) are two of the main factors that encourage or push immigrants to self-employment and entrepreneurship. These two factors could be influenced by acculturation (a process of fitting into a new culture), a term introduced by Berry (1987).

### **2.3 Refugees and ethnic minority acculturation and adaptation**

Cultural differences between refugees as a minority group and the mainstream cultures in the societies they join can significantly impact on the quality of their new lives. It seems the respect for refugees' cultural values and how easily refugees can be absorbed into their new homeland's culture, influence their future in their new home. Acculturation is the common term used to refer to the process of fitting into a new culture. Specifically it refers to the changes that happen to a group or individuals when they move into a new culture (Phillmore, 2011).

Redfield, Linton, and Herskovits (1936) define acculturation as "those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact with subsequent changes in the original culture patterns of either or both groups" (p. 149).

This suggests that it is a two-way process where both the host society as well as the new refugees have to decide how much they should absorb, accept or respect each other's cultural values and norms. Berry (1997) suggests that, "In all plural societies, cultural groups and their individual members, in both the dominant and non-dominant situations, must deal with the issue of how to acculturate" (p. 9). Through daily encounters with each other, refugees and their hosts must learn to relate to each other.

Berry (1987) introduces two issues relating to acculturation: cultural maintenance (i.e., to what extent cultural identity is important) and contact and participation (i.e., to what extent immigrants should get involved in other cultural groups, or should they remain among themselves). The latter issue must be a key concern for the policy makers of the host society as

this has an important impact on the integration of the non-dominant culture in their new society.

**Table 2.3: Acculturation strategies**

	<b>Importance of maintaining cultural identity and characteristics</b>		
<b>Relationships with larger society valued</b>		Yes	No
	Yes	<b>Integration –</b> Mutual adaptation	<b>Assimilation –</b> One-sided adaptation
	No	<b>Separation –</b> Chosen or enforced by society	<b>Marginalisation –</b> Can result from exclusion or discrimination

**Phillmore (2011, p. 579 Figure 1)**

The process of acculturation is acknowledged to be stressful and can be associated with social and psychological problems (Berry, 1997). The most positive acculturation strategy in societal and psychological terms is integration. It results from a situation where new arrivals develop relationships with the dominant community while maintaining their own cultures (Bhabha, 1994; Phillmore, 2011).

According to Berry (1997), “when individuals do not wish to maintain their cultural identity and seek daily interactions with other cultures, the assimilation strategy is defined. In contrast, when individuals place a value on holding on to their original culture, and at the same time wish to avoid interactions with others, then the separation alternative is defined” (p. 9).

Berry (1997) finally defines marginalisation as “When there is little possibility or interest in cultural maintenance (often for reasons of enforced cultural loss), and little interest in having relations with others (often for reasons of exclusion or discrimination) then marginalisation is defined” (p.9).

Berry’s acculturation strategies have explained these four terms in a situation when non-dominant groups are free to choose one or other strategy. It is also an accepted fact that the

policy-makers and government also have significant influence on the ability of the immigrants/refugees to choose one of the above four strategies. For example, if the government puts in place policies to educate the dominant society to respect the cultural values of the non-dominant group, then there is a better chance for the integration of the immigrants/refugees in the society. On the other hand, if there is prejudice towards the non-dominant group then this will create distance between the host and immigrant/refugee groups leading to separation and consequently to marginalisation. Phillmore (2011) also argues that “national policies, ideologies, attitudes, and support provision impact upon quality of acculturation” (p. 589).

George Simmel is a scholar who coined the term ‘the stranger’ in the early 20<sup>th</sup> Century. According to McLemore (1970), ‘the stranger’ has “a particular social position within a group which involves a certain degree of inclusion and of exclusion, of being in the group but not of it” (p. 92). In the context of this study, the stranger is an immigrant or a refugee who is a new person in the society. He/she can live in the country and may also have similar legal rights as the members of the mainstream group, but this fact is not fully recognised by the members of the mainstream society. Alfred Schuetz (1944) defines the stranger as “an adult individual of our times and civilization who tries to be permanently accepted or at least tolerated by the group which he approaches” (p. 499). The term ‘stranger’ fits well within the context of acculturation theory. Research has indicated that immigrants in New Zealand have adapted different acculturation strategies depending on their racial, cultural and religious backgrounds.

A study of four ethnic entrepreneur groups (Pacific, Chinese, Indian and Dutch entrepreneurs) in New Zealand by De Vries (2007) suggests that each of these groups adopts a different acculturation strategy, which reflects their sense of belonging to their culture and their ability to connect with their host country.

De Vries (2007) found that “Dutch immigrant entrepreneurs used an assimilation strategy (i.e., they tried to be absorbed into the ways and persona of the receiving country). Dutch immigrants easily found jobs prior to self-employment, but De Vries found they experience

tension and disappointments with their New Zealand colleagues and this motivated them to look towards entrepreneurship” (p. 187).

On the other hand Chinese, Indian and Pacific immigrant entrepreneurs chose more of an integration strategy. De Vries (2007) indicates that “All three groups retained strong connections to their native languages. The Chinese and Indian communities maintained strong traditions of marriage within their communities” (p. 188).

Although it needs more research, one can claim that the physical differences, along with religious and cultural distance of immigrants from their host society, could affect their acculturation processes as well. De Vries (2007) reports that “the case analyses ... highlighted that the physical distinctiveness of these groups made assimilation difficult in a country such as New Zealand, which holds strong colonial traditions and still retains pockets of xenophobic attitudes towards integration” (p. 188).

In the context of this study we can anticipate, based on the findings of those studies, that the level of acculturation impacts upon the employment opportunity of non-dominant groups in New Zealand. Some may find it very easy to find employment while others may face hardship and difficulty in finding jobs, which may subsequently lead to what is termed ‘block mobility’.

## **2.4 Block mobility**

According to Piperopoulos (2010), immigrants may be kept in the lower tier of the society due to their ethnic, cultural, or religious backgrounds, their language skills, education level and their lack of understanding of the culture of their new society. As noted earlier, this situation is called ‘block mobility’, where the paths of personal growth of migrants are blocked. As a result of having attributes that differ from those of the dominant groups in a society, immigrants may have negative experiences within organisational settings, encountering cultural barriers that block their advancement or ‘push’ them out of organisations, and channel them into entrepreneurship as an alternative route to personal success and economic prosperity (Ram & Carter, 2003; Hussain & Matlay, 2007).

Governments around the world have recognised this problem and have introduced policies that encourage immigrants to establish small businesses and create jobs for themselves. Wauters and Lambrecht (2006), in a discussion of refugee policy in Europe, argue that “increased attention to entrepreneurship among refugees at diverse policy levels in Europe aims at killing two birds with one stone. By promoting this kind of entrepreneurship, the integration of refugees into society can be aided and entrepreneurship in general can be boosted” (p. 509). Such measures ensure that entrepreneurship and self-employment can pave the way for individuals’ career achievements and their assimilation in their host country. In this way, the success of immigrant entrepreneurs will depend on their own qualities and efforts, and not on the prejudice of others in their new society (Kloosterman, et al., 2000; Piperopoulos, 2010). Kloosterman (2010) recognises the importance of constitutional support for immigrant entrepreneurship. He argues that “Immigrant entrepreneurship comes in all hues and shapes and can be the outcome of quite different socio-economic processes. It can indeed pave the way to upward social mobility” (p. 168).

## 2.5 Opportunity structure

Piperopoulos (2010) coined the term “opportunity structure”. He argues that “immigrant entrepreneurs who have the knowledge of the specific needs and heritage of their co-ethnic consumers are allured to entrepreneurship and self-employment by moving into niche, saturated spatial markets that require low financial and human capital and are largely ignored by mass retailing enterprises due to security problems of the unattractive and poorer minority areas” (Piperopoulos, 2010, p. 143).

The opportunity structure thesis explains how ethnic minorities usually create enclaves where they live, shop and establish businesses. These areas provide opportunities for ethnic minority businesses to act as training systems for the young ethnic entrepreneurs, generating networks and linkages and informal communication of market opportunities and an evolving cadre of ethnic business institutions (Chaudhry & Crick, 2004).

Although this claim by Chaudhry and Crick (2004) may be correct in the case of Asian entrepreneurs in the United Kingdom, studies by Akoorie (2006), Pio (2007) and De Vries (2007)

who have investigated the entrepreneurial behaviours of different groups of entrepreneurs in New Zealand, tell a different story. For instance, De Vries (2007) reports that “... Indian immigrant entrepreneurs have a national business focus and strong business networks beyond their immediate community. The Pacific peoples on the other hand, have established strong enclaves in South Auckland and Lower Hutt which reinforced a strong sense of Pacific community and retention of their Pacific-ness” (p. 196).

It seems that there is a variation when we compare the applicability of the opportunity structure thesis between ethnic entrepreneurs of the United Kingdom and New Zealand. The attributes of this thesis apply only to some groups of New Zealand ethnic entrepreneurs. That, again, may be due to the cultural, religious, ethnical background and the size of their ethnic group as well as their acculturation level.

## **2.6 Challenges that refugee and immigrant entrepreneurs may face**

Although there are many shared factors that stimulate and affect entrepreneurial attitudes among both refugees and migrants, there are some factors that set these two groups apart. Among them are their access to financial resources through social networks, English language ability and their education level (Fung & Wong, 2007; Kisfalvi, 2002). Refugees enter their host country as individuals and so they are less likely than immigrants to have social networks that they can tap into for support. Furthermore, as they leave their homeland unexpectedly they may have left several valuable things behind, such as capital, identification and educational documents. The absence of these could create challenges in their new lives (Wauters and Lambrecht, 2006).

Access to funding and other resources is likely to differ between refugees and immigrants. Refugees are likely to be at a comparative disadvantage with regard to securing sufficient funds and a network through which they could receive financial assistance and training. They leave their homes without funds needed to resettle in their new homes. They are also unable to return home to raise funds for establishing businesses in their new homes (Wauters & Lambrecht, 2006). In contrast, economic immigrants often retain advantageous trading relationships with their country of origin (Kim, 1981), and may return home to arrange deals,

recruit workers, acquire funds, or re-immense themselves in native culture. Refugees have no access to their country of origin (Lieberson, Peach, Robinson, & Smith, 1981).

The mental status of many refugees may be another obstacle for refugees integrating fully into their new societies. They might be suffering from a range of mental problems in the aftermath of their departure from their homeland. Gold (1988) identifies psychological problems along with other problems (some already mentioned) that refugees may face, arguing that "In comparison to voluntary immigrants, refugees may possess different occupational and demographic characteristics, have less of an ability to plan for life in a new setting, have fewer chances to participate in established immigrant networks, are more likely to suffer mental health problems, are less able to bring capital with them, cannot return home, and are unable to maintain advantageous trading relations with their home country" (p. 413).

Additionally, the occupational demographics of refugees can be another obstacle to securing a desirable job in their host country. Some refugees may have country-specific skills and education. Gold (1988) in a study about Vietnamese and Soviet Jewish refugees in the United States, illustrates that some of the members of these communities have country-specific skills and their skills are not transferrable in their new home. The Soviet Jewish population contains many individuals whose skills are deeply embedded in Russian culture such as balalaika players, movie critics and Russian makeup and fine artists. Similarly some Vietnamese were ex-army officers whose skills are not useful in the United States of America.

Gold (1988) explains further that "...the Vietnamese elite – generals, military strategists and other high-level bureaucrats, senators, and judges are among the refugees whose skills are not transferable in American economy" (p. 412).

Considering the above major factors, it was decided that it would be interesting to study Afghan refugees in New Zealand to find out if similar trends exist in the New Zealand context.

## 2.7 The New Zealand refugee experience

Unlike those immigrants who make the choice to migrate for better opportunities and lifestyle, refugees have to leave their homeland because they fear for their and their loved ones' lives. They may have experienced brutal regimes, wars, persecution or natural disasters. In many instances they have lost their properties, their livelihoods and their loved ones.

New Zealand's diverse refugee population is reflective of waves of settlement from different parts of the world where there has been political turmoil and conflict. Since 1840 New Zealand has given refuge to people from Europe, South America, Asia, the Middle East and Africa. Beaglehole in The Encyclopaedia of New Zealand (2014) reports that since 1944, when immigration statistics first distinguished between refugees and other immigrant groups, over 20,000 refugees have arrived in New Zealand.

The first wave of about 1100 Jewish refugees fleeing persecution in Nazi Europe arrived in New Zealand between 1933 and 1939. Later, from the late 1930s to 1944, some 800 Polish refugees settled here New Zealand. In the late 1950s, New Zealand reacted to the Hungarian refugee crisis after the 1956 Hungarian uprising and accepted 1100 Hungarian refugees. Furthermore, between 1960 and 1980 Chinese refugees fleeing communist government, Russian Christians, Czechoslovakians, as well as Asians expelled from Uganda, were allowed to choose New Zealand as their new homes.

From the 1980s until now a new wave of refugees who could not only speak good English but also looked different and practiced different religions arrived from Indonesia, Vietnam, Cambodia, Somalia, Iraq, and Iran. Also in 2001, 130 Afghan refugees on board the ship *Tampa* arrived after being refused entry by the Australian government and were allowed to settle in New Zealand (The Encyclopaedia of New Zealand, 2014).

Butcher, Spoonley and Trlin (2006) report that "New Zealand currently accepts 750 refugees per annum, all referred by the United Nations High Commission for Refugees (UNHCR). New Zealand also assists another 200-300 persons per annum who arrive independently, claim



asylum for a variety of reasons and who, after a determination process by the NZIS, are confirmed as refugees and allowed to remain” (p. 4).

There is a growing body of research on the settlement experience of immigrants and the resettlement of refugees in New Zealand (e.g., Marlowe, Bartley & Hibtit, 2014; O'Donovan & Sheikh, 2014; Elliott & Yusuf 2014; Choummanivong, Poole & Cooper, 2014; Guerin et al., 2005; Sulaiman-Hill & Thompson, 2012; Butcher et al., 2006; Pernice, Trlin, Henderson, & North, 2000, Report of the Ministry of Social Development, 2006).

These studies have been in the areas of refugees’ resettlement and acculturation, employment, and mental health, as well as living and housing standards. They indicate that, while refugees express their contentment and gratification for living in New Zealand, they also experience discrimination, exclusion and prejudice in their new country. Guerin et al. (2005), in a study on Somali refugees, report that “not having the recognised qualifications for employment or not having experience in New Zealand situations was often mentioned as a barrier to employment by both men and women” (p. 4).

These factors affect all sectors of their new lives, especially the employment opportunities.

A report by the Ministry of Social Development (2006) categorises the barriers to employment for refugees (and immigrants) as follows:

- Discrimination
- Lack of English language proficiency or a non-New Zealand accent
- Lack of New Zealand work experience
- Difficulty getting overseas qualifications recognised
- Lack of social networks and knowledge about how the New Zealand market operates.

Consistent with the immigrant research cited earlier, one of the main areas that refugees experience discrimination is the area of employment both at pre-employment and at employment stage (Butcher et al., 2006).

Research also indicates that those who belong to a visible ethnic group and have the most different culture, language and accent face formidable barriers in gaining employment in New Zealand (Sulaiman-Hill & Thompson, 2012; Pio, 2007, Butcher et al., 2006; North 2007; Lidgard, 1996; Pernice et al., 2000).

Refugees who have come from Muslim countries have encountered discrimination related directly to the rise in publicity about international terrorism. This is backed by the 2006 study of Butcher et al. They found that the publicity of terrorist attacks and its association with the broader religious beliefs by the media in a conservative society like ours is making the difficult task of acquiring employment even more difficult for people of Muslim background.

Guerin et al. et al. (2005) report that, in relation to women wearing Hijab and head scarf, women found that "... the ethnically way they dressed was an issue for employers, sometimes for interfering with the work and sometimes merely because their dress code [*sic*] were unusual for New Zealanders" (p. 42).

Additionally, lack of English language proficiency and non-New Zealand accent also affect the employment opportunity of refugees and migrants (Henderson, Trlin, & Watts, 2006) found in their survey of organisations involved in the recruitment of professionals that some employers had very high expectations of English language proficiency by requiring skilled migrants who wanted to work in their field of expertise to have both native speaker fluency and a New Zealand accent. A report from the Ministry of Social Development (MSD) also acknowledges this factor.

The Ministry of Social Development (2008) reports that "A migrant's level of English language proficiency can influence all aspects of the employment process, including CV preparation, presentation over the telephone, and performance during job interviews and ability to perform the job itself ... A non-New Zealand accent can also be a barrier to obtaining employment" (p. 64).

In 2012 the New Zealand Government introduced the New Zealand Refugees Resettlement Strategy, promoting self-sufficiency, participation, health and wellbeing, education and housing

(Immigration New Zealand, 2012). Although there may be some reservations towards the successful implementation of this strategy, overall it's a positive step towards the settlement of refugees in New Zealand.

In conclusion, a review of the extant literature including various government reports and literature on refugees' employment both pre and post the introduction of the New Zealand Refugees Resettlement Strategy in 2012 indicate that factors such as racial discrimination, English language ability, recognition of qualifications, work experience and cultural differences are the main hurdles and challenges that refugees face in the New Zealand employment market and may push this minority to create jobs for themselves and become entrepreneurs.

Although we now understand this effect in New Zealand, there is little or no research on the entrepreneurial experiences of refugees. This study will address this shortfall in the literature and will also explore why refugees become entrepreneurs and self-employed and how they perceive their entrepreneurial experiences.

## **2.8 Sensemaking and its influence on the decision making of refugees**

Studies are revealing the reasons people give for moving from their homelands and the issues such immigrants and refugees face establishing themselves in new countries. Much less is known about the process of establishing new lives. How do immigrants and refugees interpret their experiences and account for their decisions? When people retrospectively interpret and account for their behaviour they effectively make it meaningful and sensible to themselves. This process is referred to as sensemaking. Bartunek, Rousseau, Rudolph, & DePalma (2006) define sensemaking as "gathering information and processing it cognitively to create meaning" (p. 186). Brown, Stacey, & Nandhakumar (2008) define sensemaking as "a process by which people give meaning to experience, is inherently social, and fundamentally tied to processes of individual identity generation and maintenance" (p. 1037).

This term has featured extensively in the literature (e.g., Gioia & Mehra, 1996; Hernes & Maitlis, 2010; Maitlis & Sonenshein, 2010; Weick, 1995, 2001) since the 1970s but only come to prominence in the last two decades in the small business and entrepreneurship literatures (e.g.,

Mills & Pawson, 2006). It is the process where individuals reflect on their past experiences or current affairs, analyse them and come to a plausible conclusion (Weick, 1995). This cognitive analysis influences the actions, behaviours and decisions of those individuals in their present and in their future.

Weick (1995) presents sensemaking as the process by which individuals comprehend, construct meaning, search for patterns, redress surprises, and interact with each other in pursuit of common understandings in organisations. Mills (2006) reports that “sensemaking does not occur in a vacuum. Not only is the social consequence of expressing affect factored into the process [...] but the issue climate also influences sensemaking” (p. 18). Weick (1995) and Weick et al. (2005, as cited in Maitlis & Sonenshein, 2010) emphasise that sensemaking is a process of social construction that occurs when discrepant cues interrupt individuals’ ongoing activity and forces them to seek plausible explanations. These plausible meanings allow people to rationalise what has occurred so that they can proceed. Maitlis and Sonenshein (2010) report that “sensemaking is thus about connecting cues” (p. 552) in order to understand reality. It is central to understanding and making decisions in highly complex and uncertain situations (Klien et al., 2006). Furthermore, Brown, et al. (2008) report that “Sensemaking is a search for plausibility and coherence that is reasonable and memorable, which embodies past experience and expectations, and maintains the self while resonating with others. It can be constructed retrospectively yet used prospectively, and captures thoughts and emotions” (p. 1038).

Weick et al. 2005 (as cited in Maitlis & Sonenshein, 2010) also note that “Sensemaking is the process of social construction that occurs when discrepant cues interrupt individuals’ ongoing activity, and involves the retrospective development of plausible meanings that rationalize what people are doing” (p. 554). Meaning is not all that is being socially constructed. Erez and Earley (as cited in Brown, et al., 2008) note that “It is generally acknowledged that sensemaking is grounded in identity construction and that people make sense of their work activities under the influence of their individual-specific needs for self-enhancement (self-esteem), self-efficacy and self-consistency” (p. 1040).

Thus, we can say sensemaking is a cognitive activity that creates a plausible narrative of the current and previous situations that shapes the decisions of what actions need to be taken in response to cues in the current situation and what opportunities and threats are associated with these responses. This activity is inextricably entangled in the sensemaker's social circumstances and their sense of whom they are. The study reported in this thesis investigated the themes refugees in New Zealand used to make sense of their entrepreneurial experiences in their new country.

## 2.9 Limitations of literature

There is an extensive range of literature both nationally and internationally on refugee settlement processes, health and wellbeing, acculturation, housing and other areas of interest. Additionally, entrepreneurial behaviour of refugees has also been extensively studied at international level. Despite extensive immigrant and refugee literature, the literature review identified that there is very limited research on refugees' entrepreneurial behaviour in New Zealand. More specifically there is no research in the area of Afghan refugees' entrepreneurial activities and business start-up strategies. As Afghans make up a significant proportion of refugees in New Zealand it is deemed appropriate to study the entrepreneurial behaviour and business start-up strategy of this group of refugees in order to fill this identified literature gap.

## 2.10 Conclusion

The literature suggests that since 1840s New Zealand has given refuge to people from Europe, South America, Asia, Africa, and the Middle East. During 1930 and 1940, refugees from Europe fleeing World War II arrived in New Zealand. From the 1980s until now a new wave of refugees who could not only speak good English but also looked different and practiced different religions arrived from Indonesia, Vietnam, Cambodia, Somalia, Iraq, Iran, and finally Afghanistan. Literature suggests that although these refugees illustrate gratification and delight for being in New Zealand, they also face many challenges in their new home. One of the main challenges is discrimination in the employment market, leading them to unemployment or underemployment. The literature also indicates that refugees' acculturation strategy, block mobility and opportunity structure could push them to establish their own businesses and

become entrepreneurs. Finally, the sensemaking of refugees from their past and from their initial encounter with the New Zealand society could also have significant influence on their decision-making processes with regard to their employment and entrepreneurship activities.

## CHAPTER THREE – Research approach

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### 3.1 Introduction

This chapter presents the research questions this study sought to answer before elaborating on the interpretive research approach used to gather and analyse the participants' retrospective accounts of their entrepreneurial experiences.

### 3.2 Research questions

The study sought to answer four interrelated questions:

- (1) How do Afghans from refugee backgrounds in Christchurch account for their life experiences in New Zealand and how does it compare with other refugees experiences?
- (2) How do Afghans from refugee backgrounds in Christchurch account for their business start-up experiences?
- (3) What have been the motivators and the obstacles for the business start-up ventures of Afghan refugees in Christchurch?
- (4) How do these groups of entrepreneurs account for their start-up success (or failure)?

### 3.3 Research paradigm

Bryman and Bell (2011) suggest that “the subject matter of the social sciences – people and their institutions – is fundamentally different from that of the natural sciences. The study of the social world therefore requires different logic of research procedure, one that reflects the distinctiveness of humans as against the natural order” (p. 15). The research paradigm chosen for this social science research project is an interpretive paradigm. Cavana, Delahaye, and Sekaran (2001) describe the interpretivist researcher as “interested in understanding the lived experience of human beings. The researcher identifies what is meaningful to each individual being investigated and becomes fully involved with these individual subjects” (p. 9).

This involvement enabled the researcher to gather data about the sense that the participants made of their experiences in New Zealand, allowing him to see the world from their perspectives. In this case it was from the perspectives of Afghan refugees in Christchurch New Zealand and the sense was the sense they made of their business start-up experiences.

### 3.4 Data collection

Saunders, Lewis and Thornhill (2007) argue that “There are a number of research strategies such as experiment, survey, case study, action research, grounded theory, ethnography, archival research etc. And none of these strategies are superior to another” (p. 134). Saunders et al. (2007) further argue that “the choice of research strategy will be guided by your research question(s) and objectives, the extent of existing knowledge, the amount of time and other resources you have available, as well as your own philosophical underpinnings” (p. 136). Any of the above strategies could have been chosen in this project, but the researcher believes the choice of in-depth interviews was appropriate because this type of data gathering allows rich in-depth data to be gathered on a wide range of contextual factors that the subjects consider shaped their enterprise development experience.

#### 3.4.1 Semi-structured interviews

These interviews were conducted face-to-face or via Skype, and aimed to solicit the entrepreneurs’ demographical characteristics, their settlement experience in New Zealand, their acculturation strategies, as well as refugees’ sensemaking about their new lives and their enterprise development processes. Questions (See Appendix A) were posted to the participants before the interview to give them enough time to reflect on their experience and collect the information that they wanted to share in the study. In some cases the questions were translated to Dari and Pashto, the native languages of Afghan refugee entrepreneurs. It is worth mentioning that the researcher himself is an official interpreter and translator, assisting different government and private institutions in Christchurch with their translation and interpretation needs.

The interviews took an average of one and a half hours. Some of the participants agreed to record their interview while others were not comfortable with the idea of the recording machine running, and therefore the researcher had to rely only on pen and paper. The participants were offered a copy of the transcript and those who wished to receive a copy were provided either with a soft or a hard copy of their interview transcripts.



A semi-structured interview technique was also chosen so the participants could have the opportunity to elaborate and the researcher could ask follow-up questions. Prior to conducting the actual interviews trial interviews were conducted. This provided the researcher with practice on how to encourage openness, how to do transcription and how to put the participant in a comfortable position to share their experiences.

### **3.4.2 Sampling: Snowballing non-probability**

Saunders et al. (2007) believe non-probability sampling should be used when “the probability of each case being selected from the total population is not known and it is impossible to answer research questions or to address objectives that require you to make statistical inferences about the characteristics of the population” (p. 146).

Snowball sampling, which used community networks to gain access to suitable participants, was used. A total of 29 individuals were interviewed: 23 Afghans from refugee backgrounds and 6 individuals constituting a comparison group. In the comparison group was a charismatic Zimbabwean who calls himself a social entrepreneur. He is the CEO of a business association that assists refugees and immigrants find jobs or establish their own businesses in New Zealand, along with providing other services to these groups. One South Sudanese and an Ethiopian community leader were also among the comparison group. Both provided very valuable in-depth information about their community’s experience in Auckland, New Zealand. Finally, two Sri Lankan refugees who currently live in Auckland also participated as comparison group members. See table (3.5)

The working definition of a refugee entrepreneur used in this study was someone who (1) gained access to New Zealand as a refugee and (2) has achieved self-employment (3) in a business they established in New Zealand.

**Table 3.5: Demographic table of the research participants**

Code	Age	Gender	Education NZ	Arrival NZ	Business or job start	Occupation in Afghanistan	Single/married
Af001	35	M	Diploma	1999	2008	student	M
Af002	32	F	Graduate	2000	0	student	M
Af003	36	M	High school	2007	2009	UN	M
Af004	37	M	Uni/NZ	2005	2007	student	M
Af005	38	M	Uni/NZ	2002	2007	student	M
Af006	39	M	High school	2003	2006	student	M
Af007	41	M	High school	2007	2013	government	S
Af008	48	M	High school	2006	2013	cook	M
Af009	41	M	Uni/AFG	2002	2005	government	M
Af010	39	M	Uni/NZ	2002	2006	student	M
Af011	45	M	High school	2005	2013	blue-collar	M
Af012	55	M	Uni/AFG	2002	2006	government	M
Af013	55	M	Uni/AFG	2002	2010	government	M
Af014	23	females	Uni/NZ	2000	2006	student	S
Af015	24	M	High school	2004	2011	student	M
Af016	24	M	Uni/NZ	2000	2011	student	M
Af017	27	M	High school	2013	2014	student	M
Af018	27	f	Uni/NZ	2000	2006	student	M
Af019	26	M	Uni/NZ	2000	2008	student	S
Af020	29	f	Uni/Uni	2000	2006	student	M
Af021	30	M	Diploma/NZ	2000	2001	student	M
Af022	31	M	High school	2011	2014		M
Af023	31	M	High school	2007	2010	student	M
Eth01	57	M	UNI/ NZ	1998	2006	teaching	M
Sri001	49	M	High school	1997		farming	M
Sri002	33	M	High school	2001	2002	student	M
Ss01	41	M	Uni/NZ	2005		accountant	M
Sm01	52	M	Degree/Somalia				
Zb01	37	M	Uni/NZ	2002	2009	IT	S

University = Uni: Afghanistan = Af: F=Female: M=Male: Single= S: Married=M: Ethiopia =Eth: Sri Lanka = Sri: South Sudan =Ss: Somalia: Sm : Zimbabwe: Zb

### 3.5 Data analysis

The researcher sought to understand and conceptualise the experiences of the participants and how they interpreted these experiences. The analysis involved was conducted manually. Transcripts were coded into themes and then these were grouped into categories. Attention was paid to those patterns, contradictions and relationships between ideas in the data set that suggested factors that contributed to enterprise development success (and failure). The findings for each enterprise development were then compared with the other refugees' cases to identify common themes and categories. This exploratory coding approach allowed the analysis to be informed by data rather than relying on a conceptual framework based in the, albeit scant, extant literature. It also ensured that the research approach took into account the possibility that some very salient themes might emerge that the researcher had not considered.

### 3.6 Ethical considerations

This Masters project does not raise any issue of deception, threat, invasion of privacy, mental, physical or cultural risk or stress, and does not involve highly personal information of a highly sensitive nature about or from individuals, hence it was considered to be a low-risk project.

The participants were refugees who are now New Zealand citizens or permanent residents. They have lived in New Zealand and have extensive experience of the labour market and business start-ups in Christchurch or Auckland. These participants were selected through a referral process involving a snowball sampling technique. This sampling technique ensured that the refugees did not feel vulnerable. A member of their personal network who had been through the interview process introduced the next potential participant to the project, providing an explanation of what was involved based on first-hand experience. The potential participant then decided if they wished to contact the researcher.

Interviewees were adults and capable of giving informed consent. They were provided with an information sheet and a consent form to sign. This process ensured that participants knew about the project and what was required of them. The forms were presented to them in English and in some cases were translated by the researcher or one of their immediate family members.

Only the student and his supervisor have had access to the tapes and the transcripts. Tapes will be destroyed after the submission of the final report of this study. The data gathered from participants was at the discretion of the participant. They could have withdrawn from the project up until the point the analysis commenced. Fortunately none of the participants decided to withdraw from this study. Instead, they were very glad that someone wanted to bring their voices to the attention of academic circles in New Zealand. Participants were provided with the copy of the transcripts for any comments or additions.

The data is confidential and being kept secure in electronic and printed forms, with locks and password protection to ensure privacy and confidentiality. It will be kept for five years and then destroyed.

## CHAPTER FOUR – Findings Part I – The New Zealand experience

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### 4.1 Introduction

Investigating the New Zealand experience of refugees was considered to be necessary in order to understand its impact on the later stages of their lives, especially in respect to their business

start-up and their enterprise development strategies. The experiences of the refugees were analysed through the thematic analysis of interview data of Afghans as well as refugees and community leaders from Sri Lanka, South Sudan, Zimbabwe and Ethiopia. This chapter will present findings that indicate the existence of four primary themes within the initial New Zealand experience of the participants that appeared to impact on participants' sensemaking: these themes have been nominated as (1) settling into New Zealand (2) societal acceptance and integration (3) economics of living as a refugee in New Zealand and (4) pathway to economic independence.

## 4.2 Settling into New Zealand

Investigating the interview data identified two types of participants who called themselves refugees. The first group are those who came to New Zealand under the Refugee Quota Programme and the second group of participants are asylum seekers and their immediate family members who applied for refugee status after their arrival in the country. The data further indicated that these two groups have different initial settlement experiences, which will be explained in this section.

Immigration New Zealand (2012) indicates that "Settling as a refugee in a new country is difficult. Before they arrive, refugees who are selected for the Refugee Quota Programme will be given information on living and working in New Zealand. On arrival a six-week programme will offer improved orientation, English language classes, health screening and mental health support to help refugees settle. After this, refugees receive the support they need in the community where they live" (p. 4).

This initiative is a part of the overall New Zealand Refugee Resettlement Strategy (NZRRS) that focuses on five strategic goals of refugees (1) self-sufficiency (2) participation (3) health and wellbeing (4) education and (5) housing. As NZRRS indicates, this programme only applies to quota refugees and not to asylum seekers and their families who apply for refugee status after their arrival in New Zealand. Therefore the initial experience of these two groups of refugees is not similar, which might affect their lives differently.

The analysis of the interview data identified that only 12 out of 23 Afghan participants were quota refugees who went through the settlement and induction programme at the Mangere Refugee Resettlement Centre. The other 11 participants directly joined their family members who were already living in New Zealand as refugees.

Example 1: A 30-year-old male Afghan refugee indicated:

*“When we came to New Zealand we stayed at a refugee camp for 6 weeks that was an orientation programme about New Zealand and to get our medicals and other official paper works sorted. It was a very good programme we did not know anything about New Zealand and during our stay at the camp we were introduced to New Zealand culture, to the surroundings etc... They used to take us out and about, we were also taken to the banks and some government agencies to get our paper works organised. Once we arrived to Christchurch the government also gave us a home to stay.”*

Example 2: A 32-year-old Afghan female refugee recalls her experience as:

*“My father was already in New Zealand as an asylum seeker, after the approval of our applications to join my father we directly came to Christchurch. My father had rented us a townhouse. Then the government started to assist us financially, pay towards the rent as well as other expenses.”*

The interview data also indicated that upon arrival of the refugees in Christchurch from the Mangere Refugee Resettlement Centre they were introduced to their volunteer sponsors. These Kiwi volunteers assisted the families in their orientation to the city and their new lives, assisted the refugees with their shopping and doctor's visits and helped their children get into schools. This is a part of the overall NZRRS initiative, which is designed to assist refugees to participate in the society and to cultivate a strong sense of belonging towards their communities.

The above experience is consistent with the experience of other refugee groups; a Somali community leader indicated that their community members also went through the same induction process and were provided with housing and financial assistance.

Example 3:

*“Refugees whom I am in contact with have received both financial and housing assistance upon their arrival to New Zealand.”*

It was not the case with the Sri Lankan asylum seeker who did not come to New Zealand under the refugee quota system.

Example 4:

*“Although I received financial assistance and offered English language course from the government but I did not receive any housing or other sort of help from the government.” [sic]*

In addition to the above assistance that the refugees received they also indicated that they were offered English language classes to improve their communication skills.

It seems that the refugees in general and Afghan refugees in particular had a very positive response from the government and their Kiwi sponsors who assisted them not only financially but also socially during the initial stages of their settlement in New Zealand; they also had a very good experience from the New Zealand public in general.

#### **4.3 Societal acceptance and integration**

Participants explained their experiences from the New Zealand society in two different contexts. The first context was their initial observation and experience from New Zealand society on how the society in general has treated them. The second context has been more specific related to business and employment opportunities. Participants drew a very positive and compassionate picture of the New Zealand society as a whole, they have been grateful of being let into the country. Refugees found New Zealand a fantastic place to live and to grow a family, because of its friendly society, safe, clean and green environment.

Example 1: An Afghan refugee:



*“New Zealand is very peaceful, and we had a fresh start to life. I found New Zealanders to be very friendly people, helpful. We had sponsors they used to take us to our courses, and shopping etc... They would take me to soccer practice and even stand in the rain and watch me playing. That is how they treated us and made us feel welcome. Once I had a birthday they brought us Halal food and cake to celebrate with my family.”*

It seems that this theme has been consistent throughout the interviews as other refugees from the comparison group also pointed to the same experience.

Example 2: A Sri Lankan refugee recalled his encounter as:

*“I have two encounters that I could tell you about, a few days after I arrived to New Zealand I was walking through a park. I saw a few young Kiwis playing cricket, they called me and asked me to join their game, and I was delighted to play with these locals. Another time our car broke down and it was raining, a couple of guys stopped their cars and helped me fix my car.”*

The above extracts indicate that refugees who participated in this research in general and Afghans in particular have very positive initial experience from the society, but when it came to the other arena of life it was not the same. A Zimbabwean community leader, who leads an organisation that assists immigrants and refugees to find employment, pointed out two very important terms, participation and inclusion.

Example 3:

*“I think New Zealanders are good letting us participate in the society but inclusion is debatable... Inclusion means you have full access and full rights with whatever resources including jobs. They (immigrants) could be allowed to cook their own food, wear their own cloths, speak their own language but they might not be able to fully include within the process. So they can participate but cannot be included at the same time.” [sic]*

Although in the excerpt above it has been identified that it is up to the New Zealand society to include as well as let the refugees participate in the society, but the data from the interviews indicated that the successful participation and inclusion of the refugees has many different factors such as their age, their religious and cultural commitment and family back ground etc.

In other word the acculturation strategies of the individuals depend on their family norms, their cultural and religious commitments and their age; all these factors affect their lives and their future in New Zealand. Participants were asked a series of question that identify their acculturation strategies and one of the questions was *“Who do you usually socialise with?”*

Seven out of 23 participants indicated that they usually socialise with their classmates and workmates who are Kiwis. They also valued their contacts within their own Afghan society, while the remaining 16 Afghans only made friends within their own society and cultural group.

Example 4: A 26-year-old male Afghan refugee indicated:

*“I have been living here since I was 12 years old, I am a Afghan Kiwi. I like to hang out with my workmates, I like socialising with them and they think of me just like one of their own. My work as real estate agent also requires me to socialise a lot and I enjoy it. Don’t take me wrong nothing is better than hanging out with your family and olds though...”*  
[sic]

Example 5: A 23-year-old female Afghan who is working for a government agency indicated:

*“I like being around my mother and my sisters and their kids, I also participate in some cultural events too. At the same time I socialise with my friends from uni [sic] and work...”*

As discussed above the data theme indicates that refugees have chosen different acculturation strategies and those who came to New Zealand at a younger age and had highly educated parents have chosen to keep their own cultural values and adapt New Zealand cultural and social norms (integration acculturation) as well. On the other hand the remaining 16 who came

to New Zealand at an older age and were from a more religious background have chosen – or perhaps due to the perceived challenges in settlement that they face were made – to make friends and socialise only within their own community, they only kept brief contact with their sponsors (assimilation acculturation).

*Note: The term ‘own community’ in the interview data above is an indication of them not thinking themselves as being a part of the rest of the society.*

Example 6: A 31-year-old Afghan entrepreneur indicated:

*“We have business contacts but that limits to official extent, like if there is a business conference or information event we will participate. But we won’t participate in their private functions or work functions and we socialise with our own community, we speak the same language and religion.” [sic]*

This group of Afghans could match the term ‘stranger’ introduced by Simmel. McLemore (1970) debates Simmel’s term ‘stranger’ as somebody who lives and works in a society but is not considered one of them. This could be applied to the case of those Afghans who decided to work for themselves and establish their businesses, because their lifestyle and values don’t match their employment circumstances, and they have not been fully involved in New Zealand society.

Similar themes appeared in the case of a Sri Lankan participant while in the case of participants from Zimbabwe, South Sudan, and Ethiopia it is different. They have all expressed that they enjoy meeting and socialising with people from Kiwi and other immigrant backgrounds. Data indicate that their education level and their religious background, as they are Christians and they are involved in their local church, could influence their acculturation strategy.

Example 7: A 37-year-old Zimbabwean male indicated:

*“I like meeting people from every culture and back ground, progressive thinking people, Najib you are one of them 😊 both immigrants and Kiwis. I meet many Kiwis in Church and conferences and they are my good friends now ...” [sic]*

Example 8: A 57-year-old Ethiopian male indicated:

*“I very much socialise in our own community as I am the community leader and socialise in the Church. I am also go to local church to socialise with the Kiwis and much of my time is socialising and I catch up with Kiwis also.” [sic]*

The finding from the Afghan community is not consistent with the finding from the Zimbabwean, South Sudanese, Ethiopian and Sri Lankan participants. The latter groups emphasised having close relationship with Kiwis as well as their own community members, probably because they came from different religious and social backgrounds. A Zimbabwean participant expressed his opinion on acculturation as:

Example 9:

*“Yeah that is a very important topic, I found that it depends on the skill of immigrant and probably their communication skills as well when coming in. It’s harder for people who are lower to semi-skilled. That would apply to many refugees I suppose...” [sic]*

#### **4.4 Economics of living as a refugee in New Zealand**

The previous sections discussed the themes related to the initial experience of refugees upon their arrival and the assistance they received from the New Zealand Government towards their settlement. This section will investigate the themes related to employment and the economics of living, namely (1) trying to earn a living, (2) the strategies that they used to approach their prospective employers, (3) the role of agencies and other supporters in the process, and (4) the types of jobs they secured and their relationship with their employers and other workers.

##### **4.4.1 Trying to earn a living**

Willingness to find employment and earn an independent living was a major theme in the data; the participants indicated that they have the desire and the responsibility towards their own future and their families to earn a living. Twenty-two out of 23 of the Afghan participants secured either a full or part-time job within a year of their arrival in New Zealand. Also, 18 out

of the 23 Afghan participants arrived in New Zealand without any major qualifications or work experience as most of them were in their teenage years or their 20s. Five Afghans had university degrees with significant experiences in the Afghan army and Afghan police force as well as the United Nations (UN) offices in Afghanistan. (See Table 4.4.1)

**Table 4.4. 1: Number of participants and their backgrounds**

Numbers	Age	Qualification	Job in Afghanistan
18		Non/school	Student/blue-collar
1	37	University	United Nations
1	55	University	Army officer
1	55	University	Police officer
1	41	University	Agricultural Ministry
1	41	University	Ministry of Mining

The education and experience of the latter group was not recognised in New Zealand. The accounts from these professional individuals suggest that they had to take unskilled and low-paid employment as they had to make a living and provide for their families.

Example 2: A 55-year-old professional Afghan indicated:

*“They needed a Halal butcher at a freezing work, although I was never a butcher in my past life but I needed the money. I went there and I secured that jobs, I knew someone who was working there already...” [sic]*

Example 3: A 36-year-old who arrived in New Zealand when he was in his late 20 says:

*“I did not want to sit at home, and I had to take on jobs at petrol stations and super markets as night-fill, it was just because I wanted to make a living. I was under huge mental pressure as I did not have a decent job and I could not provide a good living for me and my wife, still I had to work long hours in very low key jobs.” [sic]*

Data suggests that securing employment for those who have come to New Zealand at an older age and with a strong accent has been more challenging compared with the teenagers. They were rejected for not having good communication skills and New Zealand experience. But due

to their persistence and determination they eventually secured employment at factories that required manpower and not skill. The same trend was also observed among the comparison group of refugees. A Zimbabwean community leader and the CEO of an agency that assists immigrants and refugees finding employment indicated that:

Example 4:

*"I have never met anyone from an immigrant background who does not want a better life or does not want to go and get a job, I never meet anyone. They like to get involved and get on with their lives and re-establish here."*

Another participant from South Sudan said that:

Example 5:

*"When I arrived here in 2005 first of all I did not have NZ experience and that is the first challenge you face when you arrive. So I look for any job that I could get including labour job any job to give you money. I started work with a company called progressive." [sic]*

#### **4.4.2 Approaching and interacting with prospective employers**

Research found that there are two themes: the first theme is among the participants who came to New Zealand at a younger age. This group of refugees did not face the problems that their older counterparts faced. The younger refugees indicated that they walked in to part-time jobs while they were at school and this helped them build up experience and eventually secure better jobs in the future.

A 27-year-old Afghan female participant reported that:

*".. a part time job after school starting year 2003 in the retail sector. I was a teenager, I did not find it hard as far as I can remember I just went to the store asked for the manager and application form, I filled it up on the spot and got a call from the manager in the morning." [sic]*

On the other hand older participants lacked the skills and the ability to communicate fluently with their prospective employers, resulting in being rejected in the first instance for poor English language ability and New Zealand work experience.

A 30-year-old Afghan indicated that:

*“When we came to CHCH we had a sponsor who heard about ads on the radio, so he instructed me to apply for the job. My application got rejected at first as they required good English and New Zealand Experience.”*

This experience is consistent across the dataset as refugees from other communities also reported similar experiences.

A 41-year-old from South Sudan expressed his experience as:

*“Actually I tried to work in mechanical field as well, they keep asking you if you have 2 to 5 years experience. And that is what really did not take me further. I think the most important is that you need someone to get you there.”*

The positive theme from the data is that they did not report any prejudice and discrimination once they were in the employment arena. Data indicated that when the refugees get into contact with the society and when they gain their trust the refugees could then be considered as one of the locals and could enjoy the same privileges and rights.

#### **4.4.3 Role of agencies and other supporters**

The Afghans who moved to New Zealand are first generation immigrants, therefore most lack the social and family networks within employment circles. This, combined with other challenges, makes it much harder for them to break into the labour market in New Zealand. On the other hand, those refugees who were fortunate to develop networks within employment circles through referrals from their volunteer sponsors were more likely to secure employment. In addition to the informal support of their sponsors, the formal support provided by the

government agencies such as Refugee and Migrant Services' (RMS) job search wing also assisted many Afghans in securing meaningful employment.

Example 1: A 30-year-old Afghan indicated:

*"Our sponsor had found out that there was a job at a factory, he told me to go and apply. I applied for that job my application got rejected they told me I did not have good English. When I told our sponsor he went to the factory with me and talked to the manager that is how I got my first job." [sic]*

Example 2: A 41-year-old Afghan indicated:

*"In the first two years of our arrival I had two jobs which I found with the help of our sponsors, my wife found her job through Refugees and Migrant Services (RMS), if it was not for them it would have been very difficult for us. We did not know anybody here, as they say it is who you know not what you know."*

The value of employments programmes has also been recognised in the literature on refugees in New Zealand. For example, O'Donovan & Sheikh (2014) report that "In order to ensure all working age people from a refugee background receive individualised support, the provision of these employment programmes needs to be made available in all regions where refugees have resettled" (p. 86).

Although refugees have had good experiences with the job search agencies, one participant who has a master degree in accounting expressed her dissatisfaction with an agency that she approached.

Example 3:

*"I approached this recruitment agency and they put me through some tests, then when the time came to improve my CV the lady asked me if I wanted to change my name to a Kiwi name which could improve my chances to be called to interviews."*



The support either from the sponsors or/and from employment agencies has been vital in the job search quest of the refugees in New Zealand. Those who have had this support managed to secure employment much quicker than those who lacked that support.

#### **4.4.4 Types of jobs they secured and how they related to employers and other workers**

Data indicated two main themes related to the employment of the refugees in New Zealand: those who came to New Zealand while they were teenagers and went through the New Zealand schooling system and eventually pursued their higher education, secured professional white-collar jobs, while those who came to New Zealand at an older age and did not go through the New Zealand schooling system secured initial employment in blue-collar jobs as factory workers and low-paid employment until they moved to self-employment due to low pay and heavy work load.

Six out of 23 Afghan participants came to New Zealand while they were teenagers and went through the New Zealand schooling system. They work as professional white-collar individuals who are very happy with their qualification choices, and expressed their satisfaction with career achievements.

Example 1: A 27-year-old female engineer:

*“Got the job by applying to the advertised position. How easy was it to get the job: I would say not very easy as I applied for about 50 graduate positions, was rejected from majority and successful with only a handful. I was offered the position after several rounds of interviews. I believe my experience from other jobs that I did throughout the university period assisted me heaps in securing this one, I am very happy here.”*

Example 2: A 23-year-old female accountant:

*“Well we all know that if you have a foreign name your CV is more than likely to be pushed to the side but I am sure if you’re lucky enough to get an interview, colour,*

*religion and background will not be much of a barrier. I had good references as well as a good degree I guess."*

The participants who were older and worked in blue-collar jobs expressed their dissatisfaction with the conditions and the pay from their employment. But the common theme between both of these two groups was that they did not indicate any negative experiences from their co-workers or their employers.

Example 3: A 37-year-old Afghan:

*"I was working at a petrol station I had to work quite long hours with minimum hourly wages, I could not get any time off that is why I got sick of that job, but I had to keep working there, eventually I started university ..."*

Example 4: A 55-year-old Afghan:

*"I first worked as a butcher; it was quite far away from home too. Then I secured a job as a vehicle groomer working very long hours. In this age it was quite hard on the body..."*  
[sic]

As indicated above, the first group of Afghan refugees has been very satisfied with their career choice while the second group had these jobs as an entry to the employment market.

#### **4.5 Pathways to economic independence**

The common theme across the data gathered from the interviews indicated that all the refugees, both Afghan and from other countries, have been desperately trying to find employment in order to re-establish themselves in New Zealand and to provide a good living standard for themselves and their families.

Data themes indicated that again there are two main groups of Afghans, the first group who arrived in New Zealand as teenagers and went through the New Zealand system of education, securing white-collar successful careers in government and the private sector. This part of the research will not further investigate this first group. It would rather concentrate mainly on the second group of refugees who moved to New Zealand when they were older.

It will first discuss a theme called sufficing, where the participants accept any job in order to provide for their families. The second theme is up-skilling and re-education where the participants have chosen to up-skill in the hope of securing better employment in the long term. The third and the final theme is business start-up where the refugees decided to establish their own businesses for long-term financial and personal independence.

#### **4.5.1 Sufficing**

O'Donovan and Sheikh (2014) report that “Having a job provided an opportunity to improve English language skills, develop relationships with non-refugee-background New Zealanders, support family both in Aotearoa New Zealand and abroad, achieve economic independence, and gain a sense of belonging in their new home” (p. 83).

The interview data analysis indicated that the points above, such as improving English language skills, supporting family both in New Zealand and abroad, and achieving economic independency, have all been very important for the refugees. Additionally, 14 out of 16 participants accepted low pay and labour-intensive jobs, this was because they saw these jobs as the only opportunity to get ahead in New Zealand.

Data analysis indicated that they were dissatisfied not only with the long hours and lack of independency but also with the low pay that they had been receiving.

Example 1: A 39-year-old Afghan indicated:

*“My first job was a car groomer that was a very hard work and long hours, and the people were not very nice either, and then I found a job at a petrol station and delivery person at a restaurant. So I had to work very long hours with minimum pay.”*

Example 2: A 41-year-old Afghan male indicated:

*“I was working at tiling business I had to work all day and sometimes in the weekends, it was a real hard work and could not get time off for family and attend my social and*

*culture needs as they are very important for us and our identity. So I looked for other jobs where I could be my own boss and could choose my hours.”*

This has been a consistent theme among other refugees as well. They also had to accept low-paid and labour-intensive jobs, so they could at least have a job and a source of income.

Example 3: A 33-year-old Sri Lankan male indicated:

*“... my son and wife were coming to New Zealand and still did not have a job, I was desperately looking for work, I applied for night fill jobs at supermarket but I my applications got rejected for not having New Zealand experience. I asked my friends and one of them who is also a Sri Lankan, was working at a cleaning company and he told me there is gonna be a vacancy. So he talked to the supervisor and I was called to the interview. I told them that I am in a real need of a job as I don’t have any income, they were nice and gave me the job. I work really hard for the family and my wife and son are coming back here soon and its gonna be really hard for that company ever since...” [sic]*

#### **4.5.2 Business start-up**

The dataset analysis identified another major theme where all of the 17 participants who chose to secure employment as entry-level blue-collar employees decided to establish their own businesses in taxi industry. They indicated that long-term financial security, personal independence and personal identity were the main drivers behind their business start-up initiative. Two of these 17 Afghans established their businesses because they needed a secondary income while the remaining 15 were fed up with their jobs and established their own businesses as a gateway to personal independence and a better future. The interesting theme is that all of these participants moved into the taxi industry and some of them then moved on to other businesses and used taxi driving as a gateway to further entrepreneurial activities.

Example 1: A 35-year-old Afghan male indicated:

*"I was working as a machine operator until I finish my study as I had a good working environment and the people in the factory were very nice to me. I got this job through another Afghan who was working there as a manager. I was working long hours but for further long-term financial security I chose to get into taxi business as well..."*

Example 2: A 39-year-old Afghan male indicated:

*"I had two jobs at petrol station and delivery person at a restaurant, I had to work really long hours, and at the same time I had a young family and at times I had to take my kids to school and hospital. I would ask my boss for time off but it was not easy for my boss to give me time off, therefore I started my taxi business."*

Although Afghans established taxi businesses as a gateway to financial and personal independency, it has not been consistent with the data gathered from the refugees from other backgrounds. Instead, some of the participants from the comparison group indicated that they had been the founders of organisations that help their community members to secure employment. Thus their organisations have been working as a gateway for the rest of their community members, leading them towards financial and personal independence. This trend was seen with the Somali community leader, the Zimbabwean participant, and South Sudanese as well as Ethiopian participants.

#### **4.5.3 Upskilling and re-education**

As it was mentioned above Afghans started businesses for financial and personal independency. Another major theme that appeared in the dataset was that seven out of the 17 Afghans who chose to establish taxi driving business moved onto upskill themselves and to gain further higher education. They used taxi driving as a gateway for personal growth in order to achieve their professional goal, which is to work in a white-collar professional environment.

Example 1: A 37-year-old male Afghan indicated:

*“I had enough of working at the petrol station and I saw that as waste of my time and energy, and because my experience was not recognised here I then decided to go university, with a young family it was hard to support them while at university. I looked around and found that having a taxi business was the best thing I could do...”*

Although this trend has been predominant among Afghan participants, to use the taxi industry as a support and gateway towards a further professional career, a similar theme did not appear in the data gathered from the rest of the participants. Using the taxi industry as a gateway for further entrepreneurial activities will be explained further in the next section.

#### **4.6 Conclusion:**

Refugees in general and Afghan refugees in particular moved to New Zealand to escape wars and prosecution and establish peaceful lives here in New Zealand. Upon their arrival they received assistance from the government related to their financial, housing, cultural, and educational needs. They have had very positive experiences from the New Zealand society in general but in the employment sector just like the rest of the immigrant community they experienced difficulty, discrimination and disappointments.

This has been consistent throughout the data gathered both among Afghans and the comparison group. The refugees who came to the country while they were teenagers integrated very well into the New Zealand society and gained professional careers in white-collar industries, while those who came in the later stages of life were not as successful. Therefore they accepted low-paid and labour-intensive jobs, resulting in dissatisfaction with the employment circumstances, leading them to establish their own businesses. Some moved on to re-educate and upskill in order to find meaningful professional employment.

The major themes from the data gathered about the initial stages of the lives of Afghan refugees were that at first they had to accept any job that they could get into. Then they moved into self-employment while some of them who were younger and more motivated went on to get a higher education in the hope of securing professional white-collar employment.

## CHAPTER FIVE – Findings – Part II: Business start-up experience

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## 5.1 Introduction

Part I of the findings examined the sensemaking process of refugees related to their initial experience of their encounters with New Zealand society. This section will elaborate further, specifically on their business start-up process. It will first concentrate on motivations and reasons behind the enterprise development and business start-up initiative. It will then move on to discuss the types of business start-ups. The research will further investigate the term ‘gateway’ enterprise (business used to achieve other social and economical goals. This has been identified as one of the main themes of this research. It will then discuss the challenges the refugees faced during their start-up period, and finally it will talk about the strategic choices these refugees made in order to ensure their success.

## 5.2 Motivation for business start-up

Four significant themes were evident in the data as the motivators for business start-up among refugees, and data also indicated that if these factors were met then the refugees did not pursue starting their own business. Three of those motives were driven from Afghan refugees’ data while the fourth motive was displayed among the comparison group of refugees. The first is the notion of economic security. The second is the notion of the lifestyle–enterprise fit, while the third notion is the notion of self-identity. The fourth notion, which has been predominant across the entire group of refugees, is the notion (the need for) of assistance to fellow refugees/immigrants.

### 5.2.1 Economic security and independence

Economic security was identified as one of three main drivers behind business start-up among Afghan refugees. The previous sections indicated that these participants could not fulfil their financial needs through working in low-paid jobs. This, along with other factors, pushed these refugees to establish their own businesses in the hope of becoming financially secure in the long term. From the 17 participants who used to work at factories or petrol stations, 15 of them left their jobs and chose to establish a taxi business as their main income while the remaining two participants stayed as employees and chose to use taxi driving as their secondary income.



These two individuals moved into management positions therefore did not leave their jobs for driving taxis.

Example 1:

*“When I was at the petrol station I could not make enough to pay for our expenses, therefore I thought of establishing my own business and this business seemed easy to get into...”*

Example 2:

*“I have a young family and my wife looks after the baby, I had a huge mortgage so I decided to have this taxi business to supplement my main job which I love.”*

### **5.2.2 Lifestyle—enterprise fit**

Afghans are a small minority in Christchurch and they are deeply dedicated to their family, society, and religion. They regularly attend social and religious gatherings at their community halls. Traditionally Friday has been their religious holiday and as a religious obligation they are encouraged to attend Friday prayer at their mosque.

The data analysis also indicated that most of the participants in the research had young families. Therefore their family commitments as well as their social and religious needs were also seen as another motivator for establishing their own business, providing them the choice of working hours and times. This notion of lifestyle and business fit has also been investigated by Mills and Pawson (2006), where a young mother established a business that she could operate from home while attending to her family needs.

Example 1:

*“My wife is really ill and I have two school-age kids, they need to get dropped off to school, I also like to attend community gatherings and go to the mosque on Friday. It was not fair on my employer to ask time off work all the time...” [sic]*

Example 2:

*“When I was working at tiling business I had to work all day and could not get time off for family and attend my social and culture needs which are very important for us.”*

Example 3:

*“We have a world class education system in New Zealand, therefore I like to provide the best for my kids. I want to provide them whatever they need to excel at school and university. I might have to work long hours and night shifts but I do that for my kids.”*

### **5.2.3 Self-identity**

Data indicated that all the Afghans who established their own businesses started in the taxi industry. Although driving taxis is not what they aspired to do, they are still proud of being their own boss and providers for their families both in New Zealand and sometimes back in Afghanistan.

Participants indicated that they did not enjoy receiving government assistance. Earning a living independently without conforming to organisational roles was a notion perceived as positive by the participants. They also indicated that having a good financial situation could provide them with dignity and social respect. These factors have had a very positive effect on their pride and self-identity.

Example 1:

*“When I was in benefit I did not have enough, I was confined to my own home. I did not participate in parties and community gathering. But now I go to my friends and I could invite them here. I am a proud person and I don’t take my depression medications anymore...”*

Example 2:

*“As the head of the family I am responsible to provide for my kids, by having my own business I am gaining my position both in the society and most importantly in the family.”*

The same trend exists among the participants from Ethiopia, South Sudan, Zimbabwe, and Somalia. They did not establish businesses for financial rewards, instead their organisation work to provide support for the refugee and immigrant communities. Their involvement in community support provided them with self-satisfaction and contentment.

Example 3:

*“Although I am a Somali, but I enjoy working with refugees from every background, we try to be their voice and take their problems and challenges to the authorities. It’s a rewarding job, makes me very proud when I see that we could make a difference.”*

### 5.3 Types of business start-up

Data indicated Afghans started their businesses in different sectors. From the 17 individuals who ventured on to establish their own business they all first started with the taxi industry. From the taxi industry they then moved on to the real estate industry, tiling, painting and plastering businesses, and car dismantling businesses. The participants from the comparison group of refugees have also been involved in community development organisations.

#### 5.3.1 Taxi driving as a gateway

A very strong theme was identified in the data. Taxi driving was used as a gateway, an entry to personal and economic freedom. It was also considered an entry to economic independency and a gateway to further business start-ups, and finally it was considered a means to an end. Those participants who continued to operate taxi businesses identified this as the only way that they could provide themselves with personal and financial independence. On the other hand, those who moved on to establish businesses in construction, real estate and car-part industries used taxi driving as a support and a means to become successful in their respective industries.

Example 1:

*“I manage to get my own tax ... I then moved on to car part business. Taxi was a good back up until our car parts business became successful.”*

Example 2:

*“In the first days of my real estate business I drove taxi. As you know when you get into real estate it is very hard to establish, it took me months and months before I sold a house. Although I am very glad that I had that back up of taxi income, I would never go back to it.”*

Data indicated that similar trends also existed among the members of the comparison group. A Somali community leader also established his taxi business to supplement his income. On the other hand, one Zimbabwean participant had also driven taxis prior to establishing his organisation.

### **5.3.2 Opportunistic business start-up**

The Christchurch earthquake of 2011 had devastating effects on the population of the city, including refugees. It also provided fantastic business opportunities for those who had some experience in the construction industry. Afghans who earlier left their jobs in low-paid, labour-intensive painting and tiling industries realised the high demand and financially rewarding opportunities in the city. Therefore they moved into establishing their businesses in the respective areas.

Example 1:

*“I convinced my father who had a taxi to fund my business it he paid me 5 grand, I went on and bought my tools and turned our family van to work van. I ended up having my father and two brothers working beside me.”*

### 5.3.3 Community support organisations

The involvement of the participants in community support non-profit organisations has been a very strong theme. Data indicated that those who have established these organisations had strong political backgrounds, they also had higher education before coming to New Zealand, and they were government employees in their homelands.

These participants established these organisations not for profit but to make a difference in the lives of their community members.

Example 1:

*“We have established that taxi business to bring food on the table, but we have the community to educate our kids about their backgrounds, and their values. It is important for them to know who they are and why they are here...”*

Example 2:

*“We established the Somali community to address the challenges that we face, the kids have moved away and we have older people who need attention. Someone who could go and take them out, someone who could talk to them. Younger ones need attention too...”*

## 5.4 The way start-up was achieved

After working in the industries that did not satisfy their economical and social needs, refugees looked at setting up their own businesses. This section will investigate how the participants started their businesses.

### 5.4.1 Selecting a business sector

Business sector selection was based on the experience built in the community. Afghans followed their brothers and friends into the relevant sectors. They first tried to gain as much information and knowledge as possible about the industry. This information was about the legal

requirements for starting their businesses, including registering for GST and income tax, knowledge needed to run the businesses, and finally financial capital requirements.

Risk was also another main factor in their business start-up because the refugees had minimum or zero capital when starting their businesses. In order to reduce the financial risk they first moved into the industry as employees and after gaining first-hand experience about the industry operations and its financial rewards they then established their own businesses. This theme has been constant in all the mentioned industries that Afghans have established their businesses in.

Example 1:

*“My brother was already in taxi industry, I first started working for him for a few weeks. Once I learnt about the business and its income I then went on and bought my taxi.”*

Example 2:

*“I am grateful that I had a good friend who encouraged me to start taxi business; he stayed awake until 3am to teach me for my area knowledge license. He then helped me buy the car etc...”*

## **5.5 Challenges of business start-up for refugees**

The data indicated that the refugees faced many challenges in establishing their own businesses, such as (1) financial challenges, (2) licensing requirements, and (3) English language ability for obtaining business licenses. These are the main themes in this section.

### **5.5.1 Financial challenges**

Refugees lacked financial resources that they could allocate to their new businesses. This challenge was addressed through strong family and community bonds. Data indicated that their families and other community members acted as guarantors to secure business loans from financing companies. This strong sense of commitment of the participants ensured that the

loans were paid on time and in full, which resulted in building trust among community members themselves and between the community and the financing companies.

*“I did not have money at all whatever I was getting from my job used to go straight away in paying bills and because my income was low the finance companies did not trust me. My friend went to the finance company and co-financed my taxi, but I made sure I pay the finance company every month.”*

### **5.5.2. English language and business licensing**

It was indicated that English language ability to obtain a business license has been a significant barrier in business start-ups. The industries that the Afghan refugees venture into require the business owners to sit a series of tests on how to operate in that particular industry. In order to successfully pass the tests the business owners have to have a good knowledge of the English language.

Those Afghans who did not have an excellent command of the English language had to go into partnerships with their family members and friends who could pass those tests. For example, some had to go into partnership with their brothers while others encouraged their wives and other family members to sit the tests and become their business partners.

Example 1:

*“For driving a taxi you don’t have to know professional level English language, you don’t write books. The tests were very difficult, so I asked my daughter to sit the test and get the license and we went into partnership in business”*

Example 2:

*“I was good in paperwork and English, and my other partners were good with cars and mechanics of it. So we complemented each other and established the car-parts business.” [Sic]*

## 5.6 Strategic choices

Data indicated that the Afghans who operate taxi businesses predominantly work the night and weekend shifts. The reason behind this strategic choice is that during the day they have family and community commitments to attend. They also reason that there is less competition in the market during those working hours. On the other hand, those who operate in the car-part industry indicated that their target market was the United Arab Emirates (UAE). They dismantle the vehicles in Christchurch and send the parts to the UAE where they have business contacts and relatives working in the same industry. Their products then move on to third world countries in the region.

Example 1:

*“I work nightshifts for two reasons, first there are not many taxis on the road and second because I could do my things during the day and attend to my kids, I must also say it’s not easy staying awake all day...”*

Example 2:

*“Pretty much all the Afghans that I know in car-part industry, they send majority of their products to Dubai...”*

## 5.7 Conclusion:

This section of the research elaborated on factors affecting the establishment and the success of the business start-up among refugees. The motivational factor behind the establishment of the business was identified as an economical factor – providing economical security for Afghan refugees because their financial needs were not met by working for other employers. The second motivator for business start-up among Afghan refugees was named as lifestyle–enterprise fit. The reason behind this motivator was that the refugees had family, community and religious commitments, which were difficult to fulfil while working for an employer. Having their own business would enable these refugees to take time off work to address those commitments. The third motivator among refugees for starting their own businesses was indicated to be self-identity. Working independently and not conforming to any organisational



role as employees was a theme that contributed to the self-identity of the participants. Data also identified that being a beneficiary in the government system had a negative effect on their prestige in the community; therefore they started their own business.

These motivators have not been consistent with the motivators indicated by the comparison group refugees, as they started their organisations to improve the quality of lives of their communities by providing support in employment and community assistance areas. A very strong theme from data emerged. When all the above needs, namely financial security, self-identity and lifestyle needs, were met by the employers, then there was no reason for Afghan refugees to go on and establish their own businesses, instead they continued working for an employer. This theme further indicates that entrepreneurship and becoming rich have not been the reason behind their business start-up, instead they created employment for themselves that could fulfil their needs.

The other major theme in the data was that the taxi industry was indicated as a gateway to financial and personal independence as well as an entry to other enterprise development initiatives. Low entry barriers as well as family and community support encouraged refugees to establish their businesses in this industry in the hope of gaining financial and personal independency. Some of the Afghans used business opportunities created in the aftermath of the Christchurch earthquake to establish businesses in the construction industry and they used the capital and business experience gained in the taxi industry to establish those business ventures.

Data further identified that these refugees faced two main challenges, namely lack of financial capital and English language ability, to obtain relevant business licenses. These challenges were addressed by strong intergroup relationships and community commitments. Community members acted as financial guarantors to obtain business loans for the new business ventures, and the families, including brothers, wives, and children, acted as the main licence holders for the business operations.

Finally, data trends identified that although Afghan refugees have faced many problems, challenges and difficulties in the employment sector and business start-up initiatives, their

strong commitment and their resilience to establish better lives have worked in their favour. They have been a tight community assisting each other to get ahead and when one of them found an opportunity, he/she has encouraged others to join and reap the benefits together.

## CHAPTER SIX – Discussion

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## 6.1 Introduction

This study investigated the entrepreneurial behaviour of Afghan refugees in New Zealand and the sense they made of their life experiences in New Zealand. These experiences were compared with the experiences of people from Somalia, Sri Lanka, Zimbabwe, South Sudan and Ethiopia who came from similar backgrounds. The findings of the research were divided into two sections, the first section concentrated on the initial experience of refugees when they moved to New Zealand as new settlers. This experience was examined in terms of (1) how they settled into New Zealand, (2) societal acceptance and integration, (3) the economics of living as refugees in New Zealand, and (4) the pathway to economic independence. The second section of the findings examined (1) the refugees' motivations for enterprise start-up and development, (2) the types of business start-ups, (3) how these start-ups acted as gateway enterprises, (4) the challenges the refugees have faced during their start-up period, and (5) the strategic choices the refugees made in order to ensure their success. This section discusses the findings covered in the above sections and draws conclusions in terms of how Afghan refugees can be better prepared for business start-ups and the implications of the findings for those who support small business development, especially among refugees in New Zealand. It finishes by discussing the contribution the study makes to the literature and avenues for future research.

## 6.2 Settling into New Zealand

According to the United Nations High Commissioner for Refugees (UNHCR 2014) there were approximately 51.2 million forcibly displaced individuals worldwide by the end of 2013. Of this number, approximately 16.7 million people were refugees and nearly 1.2 million were asylum seekers.

This study revealed that there were two groups of Afghans who escaped their homeland and moved to Christchurch to save their lives. The first group of Afghans were quota refugees who were identified as refugees before moving to New Zealand, and the other group were those who applied for refugee status after their arrival in New Zealand. The families of this second group typically joined them later.

The quota refugees had different initial experiences compared with the second group. The quota group received more support in terms of financial assistance, settlement assistance, induction and social support compared with their asylum-seeker counterparts. Immigration New Zealand (2012) indicates that “Settling as a refugee in a new country is difficult. Before they arrive, refugees who are selected for the Refugee Quota Programme will be given information on living and working in New Zealand. On arrival a six-week programme will offer improved orientation, English language classes, health screening and mental health support to help refugees settle. After this, refugees receive the support they need in the community where they live” (p. 4).

Data analysis revealed that those who received their refugee status after they came to New Zealand did not have the same privileges as their quota refugee counterparts whose refugee status was approved before their arrival in New Zealand. Upon their arrival in Christchurch after six weeks settlement at the Mangere Refugee Resettlement Centre in Auckland the quota refugees were provided housing and local volunteer sponsors who assisted and supported them in their daily activities. These refugees considered the local volunteer sponsors essential to their integration into the refugee community as well as their settlement in the wider community. In contrast the analysis revealed those who were not quota refugees were not treated the same. They had to find their own homes and had to work much harder to establish themselves socially.

This factor has also been recognised by the Immigration New Zealand (cited in Bloom, O’Donovan, ChangeMakers Refugee Forum, & Udahemuka, 2013):

“For their first six weeks in Aotearoa New Zealand, quota refugees are provided with accommodation and board, after which they are given social housing priority in their region of resettlement; asylum seekers and Convention refugees are responsible to secure their own housing. Unlike quota refugees, Convention refugees are also not eligible to receive the accommodation supplement from Work and Income and are more likely to pay higher rents than quota refugees” (p. 17).

Although the initial experiences of these two groups of Afghan refugees in respect to housing and the support that they received from the government and the community were not similar, their general perception of New Zealand and the government has been positive. Their experiences are also very similar to the experiences of the comparison group from Somali, South Sudan, Zimbabwe, Ethiopia and Sri Lanka.

### **6.3 Societal acceptance and integration**

The study found that integration strategy of the refugees was tightly coupled to their acceptance into the refugee and wider communities as well as their career success. Some refugees adapted an integration (mutual adaptation) strategy where they kept their cultural values and adapted to New Zealand culture very well, while others adapted a separation acculturation strategy where they kept their own cultural and religious values and gave minimum consideration to New Zealand cultural values.

These strategies could not be understood in isolation from demographic factors. Demographic factors such as age, religion and cultural affiliations, and family background, were found to be inextricably linked to how the refugees approached integration.

The Afghan refugees who came to New Zealand as teenagers and had highly educated parents and went through the New Zealand education system adapted an acculturation strategy that is called integration (mutual adaptation). According to Phillmore (2011) integration acculturation involves members of the non-dominant culture retaining their own cultural values while adapting norms of the dominant culture. In contrast, those Afghan refugees who came to New Zealand at an older age, and from more religious backgrounds, adopted what is termed 'separation acculturation strategy'. They tried to keep their own cultural and religious norms while paying little attention in terms of adapting the values and norms of the host society. This group of refugees respected the dominant culture's way of life and norms but did not engage with it in ways that led to them accepting these values and norms as their own. As we saw in the findings section Part I, two acculturation strategies had distinctively different consequences for the lives of those who chose them. (See table 6.3)



**Table 6.3: Consequences of acculturation strategy**

<b>Integration acculturation strategy</b>	<b>Separation acculturation strategy</b>
<b>Excellent English language skills</b>	Limited English language skills
<b>Developed interpersonal skills</b>	Limited interpersonal skills
<b>Excellent personal growth and employment opportunities</b>	Limited employment opportunities
<b>Adapted New Zealand culture</b>	Respect New Zealand culture, no adaptation
<b>Social network consisting of Afghans and Kiwis</b>	Social network consisting of only Afghans
<b>Secured jobs in white-collar environment</b>	Secured jobs in blue-collar environment and started their own businesses
<b>New Zealand university education</b>	No/limited New Zealand university education

## **6.4 Economics of living as a refugee in New Zealand**

This section will discuss four main areas that shaped the economic experiences of the refugees. These are: (1) trying to earn a living, (2) the strategies that they used to approach their prospective employers, (3) the role of agencies and other supporters in the process, and (4) the types of jobs they secured and their relationship with their employers and other workers.

### **6.4.1 Trying to earn a living**

All the participants, both the Afghan refugees and the comparison group, indicated that they have had the desire to work hard and provide for their families. Unfortunately lack of social networks, limited English language ability, lack of a New Zealand education, lack of New Zealand experiences, discrimination and prejudice prevented them from securing meaningful employment which could satisfy their financial and cultural needs. Subsequently they experienced financial and social disadvantages. Lack of meaningful employment and a sense of financial and social disadvantage were the factors that pushed Afghan refugees to establish their own businesses and create employment for themselves. This finding is consistent with the



findings of research conducted on refugees overseas. Zhou (as cited in Wang & Altinay, 2012) reports that “Self-employment may be the only alternative for ethnic people who are disadvantaged in the mainstream labour market due to structural barriers (such as racial exclusion and discrimination) and blocked mobility arising from skill deficiency” (p. 4).

Certainly the refugees in this study, both the Afghans and the comparison group, reported a sense of marginalisation that was variously accounted for in terms of exclusion, discrimination and poor skills for the available employment opportunities. Self-employment was perceived as a positive way to sidestep these issues and gain a measure of self-determination.

#### **6.4.2 Approaching and interacting with prospective employers**

The refugees who came to New Zealand as young people and who have been through the New Zealand education system did not face any specific problems interacting with their employers both before securing jobs and during employment. Their acculturation strategy has been a contributor in this arena as this group of refugees has a wider circle of friends and family who could introduce them to possible employers. They also have better communication skills and the confidence to go and meet the employers in person and convince them that they could be assets to their organisations. On the other hand, their older counterparts did not have similar skills and confidence and had to rely on a third party to assist them in this respect.

#### **6.4.3 Role of agencies and other supporters**

As first generation immigrants the Afghan refugees lack the social and family networks that could support them with breaking into the employment market. Those refugees who were not quota refugees suffered from the lack of supportive networks. Afghan refugees in this group reported that, other than their own family members who sponsored them into the country, they did not know anybody else in the country when they arrived. In contrast the Afghan quota refugees had their sponsors and government agencies that could act as their supporters in the process of seeking financial and social security. Those who tapped into this support were relatively more successful in securing jobs than those who did not have this support.

The sponsors and employment agencies acted as go-betweens and facilitators for finding the job opportunities. Some acted as mediators and supporters.

Bloom and O'Donovan (2013) report that "Quota refugees are entitled to work immediately upon arrival in Aotearoa New Zealand. Asylum seekers are not legally allowed to have any form of income or work permit until their first immigration interview. After this point, asylum seekers and Convention refugees are granted work permits for three months, six months, or twelve months" (p. 18).

This finding indicates that the agency granting work permits discriminates between quota refugees and asylum seekers and further limits asylum-seekers' ability to secure long-term employment.

#### **6.4.4 Types of jobs they secured and how they related to employers and other workers**

United Nations High Commissioner for Refugees (UNHCR 2002) states that:

"Employment has a powerful influence on one's capacity to participate equally in the receiving society. Without employment, refugees risk becoming trapped in a cycle of social and economic marginalisation affecting not only them but possibly future generations..." (Part 2.9, p. 173.).

Refugee employment has been one of the main pillars of New Zealand's Refugee Resettlement Strategy (NZRRS). This strategy emphasises the view that employment is the most important factor in the integration of refugees into New Zealand society. Therefore, the government agencies such as Refugees and Migrant Services (RMS) and Work and Income New Zealand (WINZ) have been vital agencies in assisting refugees getting into employment. Even so, barriers such as lack of New Zealand qualifications, limited English language proficiency and lack of networks have caused the refugees to have problems getting into the employment market and receiving that vital experience needed to gain financial security. These barriers have caused refugees to accept low-paid and labour-intensive jobs and become underemployed. As

reported in the findings chapters, many Afghan refugees as well as members of the comparison group reported having to work as factory workers, service station attendants and night-fill employees of supermarkets. Such low-paid, unskilled jobs created dissatisfaction and frustration among these individuals and exacerbated their situation by providing few opportunities to address the deficiencies they faced. These problems were also recognised by Guerin et al. (2005) in a study of Somali refugees in New Zealand. These researchers observed that:

“... although the participants reported commonly found barriers to obtaining work and employment other than low-paid, non-standard and precarious (namely, language knowledge, qualifications, and discrimination), there are other barriers that have more to do with intangible skills, such as interpersonal communication, social networks and regional knowledge” (p. 10).

In contrast, those refugees who went through the New Zealand education system reported integrating well into New Zealand society, securing the privileges and opportunities of ordinary Kiwis. These refugees (both Afghan and those in the comparison group) managed to secure white-collar employment in prestigious state-owned and private institutions. This finding is evidence that the acculturation strategy and the age of the refugees had a significant impact on the success of refugees in the employment market and on the type of employment they were able to secure in Christchurch.

It seems arriving at an age when it was possible to attend school in New Zealand bridged the cultural divide and ensured adequate language proficiency and social skills as well as locally recognised qualifications. Participating in the local education system also provided the opportunity to create or join networks that supported mutual acculturation.

## **6.5 Pathways to economic independence**

As discussed in the previous section, there were two groups of Afghan refugees identified in this study. The first group was young Afghans from highly educated families who have been integrated very well into New Zealand society and secured professional employment in white-

collar sectors. The second group was Afghans who came to New Zealand when they were in their late 20s or older. This group's experiences confirm they have not integrated as well as their younger counterparts. These older Afghan refugees are the ones who were found to have been forced to work in low-paid blue-collar roles in labour-intensive sectors and who reported the most dissatisfaction and frustration. Twenty-two of the 23 Afghan refugees who participated in this research secured either full or part-time employment. They saw employment as the only way of getting out of block mobility and getting ahead in their new lives in New Zealand, but continued financial insecurity and the lack of social independency pushed these refugees to establish their own businesses. Starting a business was simultaneously their way out of dissatisfaction and frustration and a way to realise a better level of financial security and independence. Thus their business start-up was a way to achieve what they did not have rather than a way to realise entrepreneurial aptitude or satisfy a desire to be self-employed. This distinguishes them from many others who start businesses because they see an opportunity or have a product or idea they want to 'take to market'.

The remainder of this chapter will discuss those refugees who worked in blue-collar industries who eventually established their own businesses.

### **6.5.1 Business start-up**

When the data on what sort of businesses were started by the Afghan refugees was examined, it was evident that the business choices that were made allowed cultural and religious commitments as well financial security and personal independence objectives to be satisfied. The taxi industry was favoured as individuals could choose their working hours so they could attend to their family and community needs as they wished. Taxi businesses also allowed longer-term objectives to be addressed. For instance, some of those starting taxi businesses decided to use the flexible hours afforded by taxi driving to upskill and attend university.

The comparison group of refugees from other backgrounds did not exhibit the same business start-up pattern. Instead they established non-government organisations to support their communities in finding employment and integrating into the community. Their backgrounds

and positions in the community made such start-ups possible. They were well networked and had political experience so they had attributes and the experience necessary for mobilising people and communities. The Afghans with similar political backgrounds were also found to be involved in such organisations in addition to starting their own ventures.

### **6.5.2 Upskilling and re-education**

The Afghans who arrived in New Zealand in their late 20s and 30s typically described themselves as motivated and forward thinking. These were the individuals who realised that there were significant opportunities for personal growth in New Zealand. They used taxi industry start-ups to gain personal and financial independency so they could finance other activities, most notably upskilling and re-education. They used the taxi industry as a gateway to further their personal growth and reported attending university in order to achieve their professional goal of working in a white-collar environment. This is a significant finding. It seems for these Afghan refugees, starting a business was a gateway to better employment. It was not the beginning of a lifetime of entrepreneurship and self-employment. The term gateway has been used both in national and international literature. Gateway cities are entry points for immigrants where co-ethnic people identify business opportunities and work together to establish and develop enterprises (Zhang & Crothers, 2013; Fong & Shen, 2011). Bond (2011) reports, “A local funeral home became a gateway enterprise from which other businesses and staple institutions grew. By the 1950s, these businesses provided more than services to the Black community; they also put Brownsville on the “map” of Black entrepreneurship. Employment opportunities for African Americans grew, professional networks developed, and marketable skills increased” (p. 8).

Afghans also used the taxi industry as a gateway to gaining further education and upskilling while others used it as a gateway to economical independency or to establish other businesses.

## **6.6 Motivation for business start-up**

### **6.6.1 Economic security**

As mentioned, underpaid employment did not satisfy the economical needs of the Afghan refugees and left them frustrated and disappointed. Underpinning this frustration and disappointment was the responsibility they feel towards others. Economic security is important because they have responsibilities for not only their immediate families in New Zealand but also their extended family back in Afghanistan. Their future in New Zealand is very important for their entire extended family, therefore the refugees reported looking for ways to earn a very good living rather than just one that met their immediate local needs.

### **6.6.2 Lifestyle–enterprise fit**

Afghans are a small minority group in Christchurch with members who are deeply dedicated to their families, their society and their religion, therefore Afghans regularly socialise at their mosque and at their community hall. In order to be able to attend these events they need time. Most jobs do not allow enough flexibility to engage in religious events and Afghan community activities. Thus, owning a business has a lot of appeal as it gives the flexibility to be available to organise and attend such events.

### **6.6.3 An independent ‘agentic’ self-identity**

Those pursuing further education had a sense of who they wanted to be. They did not identify themselves as blue-collar workers or taxi drivers even though they could have experience in both these sectors. Rather, they had a self-identity that was associated with having more agency and associated status (agentic self-identity) than could be achieved by working in these sectors. As is mentioned in the finding section, the parents of these participants were highly educated individuals and used to being influential members of their society in Afghanistan.

The data on those who secured jobs in white-collar industries confirm that economic security and independence, lifestyle–enterprise fit and ‘agentic’ self-identity were dominant themes in

Afghan refugees' thinking. When one or more of these needs were not met, Afghan refugees reported being motivated to start their own businesses. Such a finding suggests that securing independence has been very important for Afghan refugees in New Zealand. They report valuing their culture and their religious norms as well as their families and they would go that extra mile to achieve a balance between their private and business lives. In contrast, the participants of the comparison group did not establish their own for-profit businesses. Instead, they report that their motivation has been to work for their fellow immigrants and refugees, supporting them to find employment and achieve a satisfactory quality of life.

## **6.7 Types of business start-ups**

Afghans first started businesses in the taxi industry as they already had the inside knowledge from this particular industry. Some then moved on to tiling, painting and plastering, vehicle dismantling as well as real estate businesses, while the comparison group of participants have only been involved in community development organisations.

### **6.7.1 Taxi businesses as a gateway**

The term 'gateway' in the literature of minority entrepreneurship has been applied both nationally and internationally. It is considered as a business or an industry through which minority groups can achieve social recognition and financial independence (Zhang & Crothers, 2013; Bond, 2011; Fong & Shen, 2011). In the context of this study, taxi driving was used as a gateway industry – an entry to personal and economic freedom. It was also considered an entry to economic independency and a gateway to further business start-ups, and finally it was considered as a means to an end.

The taxi industry has acted as a training ground for further business activities among Afghan refugees; Afghans provided support to their fellow countrymen for entering this industry. In contrast, only one member of the comparison groups currently has a taxi business. He uses the taxi as a supplementary income source and as a means to meet people and socialise.

Afghan refugees who went on to create good careers for themselves in tiling, painting and plastering, and real estate as well as car-part export industries first established taxi businesses. Therefore, the taxi industry acted as a gateway to further start-up initiatives but interestingly was only used among the Afghan refugees in this study.

### **6.7.2 Opportunistic business start-ups**

Through establishing and operating businesses in the taxi industry Afghans gained the experience and the knowledge of operating successful businesses in New Zealand. They familiarised themselves with social, legal and taxation requirements. However, some looked beyond the taxi industry to identify opportunities in other industries to gain further financial rewards. The 2011 Christchurch earthquake provided a fantastic opportunity for those who had some experience in the construction industry. The Afghans who had experience working as painters and plasterers or those who worked in tiling businesses grabbed the opportunities the earthquakes offered and established their own businesses working on the rebuild of Christchurch. Again, these refugees encouraged their families and friends to join these sectors just as they did when they first moved into the taxi industry. This finding indicates the existence of a very strong community among Afghan refugees in Christchurch.

### **6.7.3 Community support organisations**

Commitment to the community and the strong bond between community members have been the drivers for the establishment of community-based organisations. These organisations are designed to address the cultural and religious needs of refugees in New Zealand. This has been prevalent not only among Afghans but also among the comparison group of refugees as well. The participant from Zimbabwe has established an organisation for assisting refugees and immigrants to secure employment. The Somali, South Sudanese and Ethiopian participants all have been involved in similar organisations dealing with problems and challenges that refugees face in New Zealand and being a bridge between these communities and the government agencies as well as the private sector.



## **6.8 The way the start-up was achieved**

The three main factors that are very important for Afghan refugees in New Zealand are (1) economic security and independence, (2) lifestyle-enterprise fit, and (3) self-identity. If any of these needs were not met then Afghans decide to establish their own business or have another business to complement their main job.

## **6.9 Selecting a business sector**

As mentioned earlier, Afghans are a tight community and their experience and business sector knowledge has been considered as communal knowledge and experience. They shared their knowledge with the newcomers to the industry and when they see a member in need they assist them to become independent. They first gain as much information and knowledge as possible about the industry from the network but this is not limited to legal obligations and the taxation system. In order to minimise risk, the new members are encouraged to work as employees for the first few weeks and months and once they gain all the necessary information and insights about how an industry operates then they established their own businesses.

## **6.10 Challenges of business start-up for refugees**

Just like any other individual who starts his/her own business, Afghans also faced financial challenges. Another main challenge they faced was licensing requirements. These require an excellent command of the English language, but both of these challenges were addressed with the assistance of their families and community. This was a recurring finding; to start a business Afghans used their community of family and friends. Those who were less supported found the business start-up much harder. What helped was the Afghan community's willingness to reach out to newcomers and offer support. According to Hofstede (n.d.) "collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of 'I' or 'we'" (See <http://geert-hofstede.com/dimensions.html>).

It is the Afghan's collectivist nature to support each other when needed and it was demonstrated very well when they helped each other in their business start-ups.

### **6.10.1 Financial challenges**

Afghan refugees as the first generation of immigrants lacked the resources through which they could secure business loans for their start-up initiatives but they address this challenge through strong family and community bonds. Family and community members acted as guarantors for refugees seeking to secure business loans from financial companies. This is not surprising as trust has been a fundamental instrument in bonding the members of this community. This could be attributed to the values and the fabric of the Afghan society, which has traditionally been a collectivist society rather than an individualistic one. This pattern of mutual support and trust was not identified among the comparison group of refugees. The reason could be contributed to the lack of a big enough data sample for each national group within the comparison group.

### **6.10.2 English language and business licensing**

The second main challenge reported by Afghans during their business start-up was their English language ability, which created hurdles when seeking to obtain their business licences. The strategy that they used to overcome this problem was that they utilised their family members' skills and came up with a strategy to go into business partnership. The family member, such as a wife, son, or daughter, sat the tests for the licence and then they worked together to establish their business and reap the benefits of the business together, as the income was communal and considered as the family income.

Clearly, Afghan refugees have faced many problems, challenges and difficulties in the employment sector and business start-up initiatives, but their strong commitment to their families and resilience in establishing a better life have worked in their favour. They continue to be a tight community, assisting each other to get ahead. When one of them found an opportunity, he/she has encouraged others to join and reap the benefits together.

### 6.11 Strategic choices

The strategic choice that the Afghans made was to utilise their family connections and community networks to allow them to achieve success in their businesses. They used these networks to acquire business knowledge and financial support to achieve their start-up initiatives. Additionally, those who were in the taxi industry predominantly worked the night shifts, weekends and throughout Christmas holidays when there is less competition in the market. Taking time off when the competition is high allowed them time in which to address their community and family commitments. On the other hand, those Afghans who were in the secondhand car-parts export business utilised their family networks in the Middle East, specifically in the United Arab Emirates, and exported their products to those markets where the profit margin was higher.

While co-ethnic ties and support were clearly very important aspects of the business start-up and development strategies of the tight-knit Afghan refugee enclave in this study, providing opportunities for their ethnic minority businesses to act as training systems for the young ethnic entrepreneurs, generating networks and linkages and informal communication about market opportunities (Chaudhry & Crick, 2004), the Afghan business owners' strategy in Christchurch was not entirely consistent with the opportunity structure thesis. The taxi businesses at the heart of many Afghans' business start-up strategy were not, as Piperopoulos (2010) suggests when defining the opportunity structure thesis, serving co-ethnic customers. The Afghans in this study did not just look to their community for market opportunities. They also looked outwards to the community at large for customers. In contrast, the comparison group showed a propensity to look towards the refugee community and developed business start-ups that served this community.

## CHAPTER SEVEN – Conclusion

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### 7.1 A model of Christchurch Afghan refugees' quest for financial independence

Hofstede (1984) coined the term collectivism, proposing "Collectivism, stands for a preference for a tightly knit social frame work in which individuals can expect their relatives, clan, or other in-group to look after them in exchange for unquestioning loyalty" (p. 83). These characteristics have been seen in minority groups in New Zealand. For instance, De Vries (2007) in his study of Indian and Pacific people in New Zealand reports similar communal behaviour among people from the Pacific backgrounds living predominantly in South Auckland and Lower Hutt. These enclaves provided their respective members with a sense of community and closeness.

The findings of my research have been synthesised into a model (Figure 7.1) that conceptualises the experiences of Afghans with refugee backgrounds in a similar enclave in Christchurch, New Zealand. The model gives primacy to the fact that these Afghans have been living in a collectivist community and have close communal relationships. The factors such as religious affiliations and family obligations, which are part of a collectivist orientation and the essence of their communal relationships, are at the heart of this model. The model proposes that these factors caused the Afghan refugees to support each other in their business start-up initiatives but had a negative effect as well, because they limited their contact with the wider society.

Mills (2011), in a study on New Zealand fashion sector entrepreneurs, discussed the role of self-identity in business start-ups. She noted, "Each participant told a unique enterprise development narrative but one feature stood out as being common to all narratives; the centrality of the participant's articulated sense of who they were, which is referred to here as their self-identity" (p. 9). New Zealand literature on minority and local business start-ups also reports that self-identity, lifestyle-enterprise fit and economic security have been among the motivators of local and ethnic minority entrepreneurs (De Vries, 2012; De Vries & Dana, 2012).

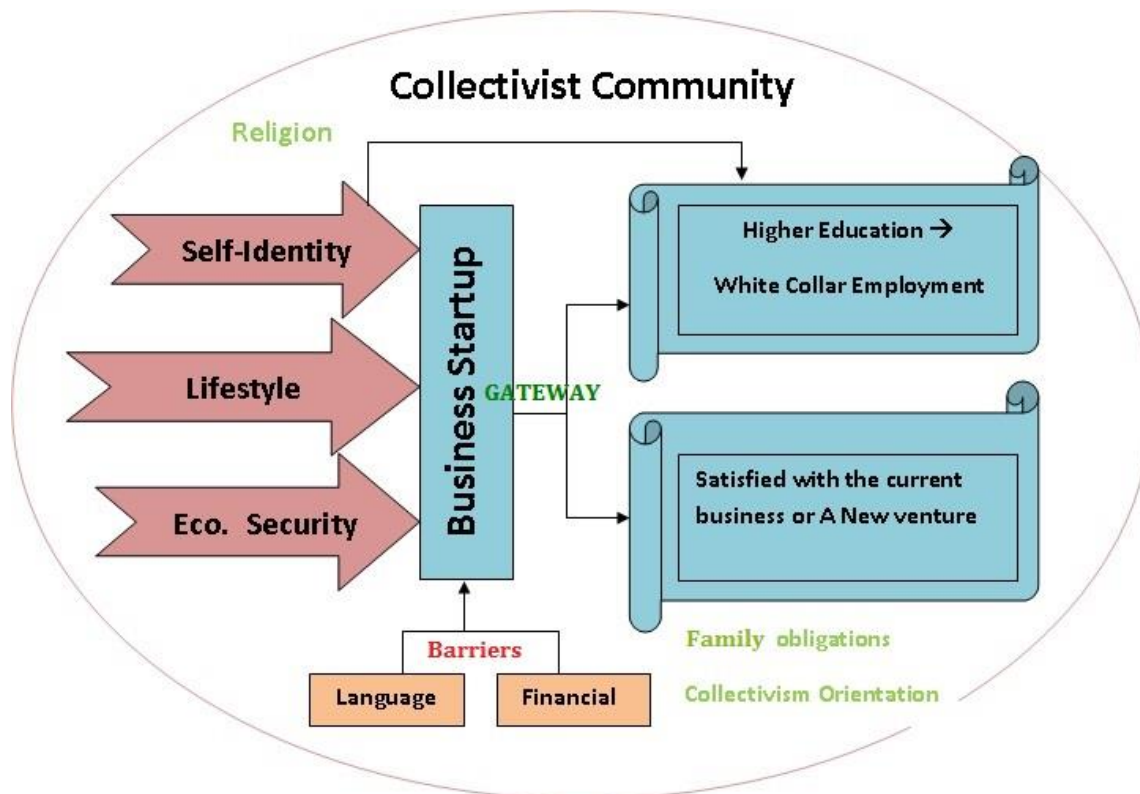
This study of Afghan refugees found taxi businesses were utilised as a gateway to enhanced self-identity, better lifestyles and economic independency. Some of participants were satisfied with their achievements and continued operating their taxi businesses, while others moved on to other business ventures and established businesses in construction, real estate and car-part exporting industries. Those business owners who moved to New Zealand in their late 20s and older and came from highly educated family backgrounds moved on to attend universities in order to secure employment in more professional white-collar industries. These participants were motivated to follow an integration acculturation strategy (mutual adaptation). They were motivated to secure highly professional white-collar jobs rather than long-term self-employment. In contrast, the rest of the participants chose self-employment.

According to the model (Figure 7.1), both these groups' enterprise development behaviour can be explained in terms of the factors *self-identity*, *lifestyle–enterprise fit* and *economic security*. The model indicates that the Afghan participants who identified themselves as religious, family committed and strongly collectivism-oriented individuals established their businesses to provide for their families and be independent. Those who were motivated to adapt to the more individualistic mainstream New Zealand society used a business start-up to fund their education to achieve enhanced self-identity, lifestyle–enterprise fit and economic security through professional employment.

This model also identifies two main barriers to achieving economic security, namely English language ability for obtaining their business operation licences, and financial barriers to starting their businesses. Consistent with a collectivistic way of operating, family and community resources were accessed to tackle and overcome these barriers.

Captured within this model are considerations of age and family background. These were found to play vital roles in the decision-making processes of the Afghan refugees, determining what pathway they took. They determined whether they chose to go to university and work as white-collar employees and build their corporate careers, or establish their own businesses and work

independently. If the first pathway was chosen there was greater chance for breaking free from block mobility (Piperopoulos, 2010) and a sense of marginalisation (Berry, 1997).



**Figure 7.1: Accounting for the business start up experiences of Afghan refugees in Christchurch**

## 7.2 Conclusion

This is a unique study. It is the first study of its kind on the business start-up behaviour of Afghans from refugee backgrounds who are residents of Christchurch, New Zealand. It adds to the limited research on New Zealand refugees.

This paper present a rich picture of participants' sense of their experiences in Christchurch, and in doing so, it answers these research questions:

- (1) How do Afghans from refugee backgrounds in Christchurch account for their life experiences in New Zealand and how does it compare with other refugees' experiences?
- (2) How do Afghans from refugee backgrounds in Christchurch account for their business start-up experiences?
- (3) What have been the motivators and the obstacles for the business start-up ventures of Afghan refugees in Christchurch?
- (4) How do these groups of entrepreneurs account for their start-up success (or failure)?

It also provides a model about the Afghans' business start-up behaviour and the pathways Afghan-Kiwis have taken on their way to independence and personal growth. (Figure 7.1)

This research offers unique insights into the importance of economic security, lifestyle–enterprise fit and self-identity to Afghans and shows how these factors impact on their decision about starting their businesses in New Zealand. Additionally, it offers insights into the business start-up behaviour of this minority group and the way members consider their businesses as a means to meet their social objectives. These insights can be used by those who support small business development, especially among refugees in New Zealand, as well as government agencies dealing with refugee resettlement and employment. It also represents a unique contribution to the New Zealand refugee literature. However, more research would be needed to establish if the same trends exist among other Afghans from refugee backgrounds in other parts of New Zealand.

### **7.3 Limitation of research and future studies**

This research has several limitations. Firstly, the study focused on Afghans from refugee backgrounds in Christchurch and used a small convenience sample from other ethnic groups as a comparison group. This means the findings of this research apply only to Afghans living in Christchurch rather than Afghans resident elsewhere in New Zealand. Secondly, the participants for the comparison group were chosen from both Christchurch and Auckland as there were not enough entrepreneurs from other refugee countries in Christchurch who could participate in the research. Ideally, the comparison group needed to be bigger with more people from each of



the countries represented. This would have allowed more in-depth comparisons to be made than were possible with the data collected on this occasion. Unfortunately, it proved extremely difficult to find and gain the participation of non-Afghan refugees who had started businesses.

Despite these limitations, a conceptual model was produced which hopefully provides useful insights into the factors that Afghans' use to make sense of their business start-up behaviour in Christchurch. This conceptual framework could be used as a platform from which to launch larger and more in-depth studies of Afghan refugees across New Zealand. Given the similarities identified with the comparison group in this study, it also could be used as a framework for studying refugees from other countries.

## CHAPTER EIGHT – Recommendations

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### 8.1 Recommendations

The following recommendations have been produced using the findings from this research for the use of people from refugee backgrounds in general and Afghans from refugee backgrounds in particular. There are also recommendations for agencies that work for resettlement of

people from refugee backgrounds and those agencies who work promoting and assisting small business start-ups in New Zealand.

- 8.1: Afghans must consider re-evaluating their acculturation strategies and get involved in New Zealand society in terms of socialising and establishing more private and business contacts. This will result in creating networks outside their own community that will foster their businesses and personal growth.
- 8.2: They need to look at other sectors when establishing their businesses that might have better potential for business growth compared with the taxi industry in order to improve their financial returns and provide them with improved social status.
- 8.3: It is recommended to the government of New Zealand to re-evaluate its New Zealand Refugees Resettlement Strategy (NZRRS) and include asylum seekers and their families in this strategy so they could also benefit from the same rights and privileges of quota refugees. This would likely lead asylum seekers to achieve settlement in New Zealand more quickly.
- 8.4: It is recommended to the agencies that work promoting small businesses among refugees to organise seminars and programmes that could assist and guide refugees in their business start-up ventures, provide them direction and assistance on how to locate funds, and assist them in obtaining their business licences.
- 8.5: It is recommended to the above agencies to hire educated Afghans who have inside knowledge of the Afghan culture to work as business mentors and provide Afghans with current information on the business environment, ensuring their success.
- 8.6: It is also recommended to the agencies that assist promoting small businesses among refugees to identify the possible start-up businesses opportunities that have the potential for growth and success and provide the refugees with the information and insight about those business opportunities.

8.7: It is recommended that government and private institutions pay special attention to educated refugees, utilising their knowledge and experience while providing them with meaningful employment. Helping them to achieve their professional goals will let them climb the social ladder and thus break them free from block mobility.

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## Appendices

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## Appendix one: Human Ethics Committee Approval



### HUMAN ETHICS COMMITTEE

Secretary, Lynda Griffioen  
Email: [human-ethics@canterbury.ac.nz](mailto:human-ethics@canterbury.ac.nz)

Ref: HEC 2013/92/LR

4 December 2013

Hedayatullah Najib  
Department of Management, Marketing & Entrepreneurship  
UNIVERSITY OF CANTERBURY

Dear Hedayatullah

Thank you for forwarding your Human Ethics Committee Low Risk application for your research proposal "The contrasts and similarities between refugee and immigrant entrepreneurship in New Zealand context".

I am pleased to advise that this application has been reviewed and I confirm support of the Department's approval for this project.

Please note that this approval is subject to the incorporation of the amendments you have provided in your revised application.

With best wishes for your project.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L. MacDonald'.

Lindsey MacDonald  
*Chair, Human Ethics Committee*

## Appendix two: List of questions that were asked from each participant.

Transcript # \_\_\_\_\_ Would you like your identity to be concealed?

	DEMOGRAPHICS
1	What is your name please?
2	How old are you?
3	What is your marital status?
4	What is your highest qualification? Where from?
5	What is your nationality?
6	Do you want to get additional New Zealand qualifications?
7	When did you come to New Zealand?
8	Do you come from a family where one or both of your parents were business people?
9	If yes, then Who was in the business? Mother? Father or both?
10	Did your parents start businesses? If yes then what sort of business? Mother? Father What did they do?
11	Was one or more of your grandparents business people? If yes then Grandfather-s? Grandmother-s? Both?
12	What other family members have had or currently have businesses?
13	What were the main ways people made a living in the place you lived in before coming to New Zealand?
	PREPARATION AND EXPERIENCE IN NEW ZEALAND
14	What where you doing before coming to New Zealand?
15	What did you know about New Zealand before coming here? People? Culture? Language?
16	Why did you choose New Zealand?

17	How did you find New Zealand after your arrival to the country? (just your experience in the first few weeks and months)
18	Once you arrived how did you finance your life? (Did the government assist? Did you start working? Did you have savings? Or family helped you?)
19	Did you look for any jobs? If so, how long after your arrival? And what industries did you target? Please write what you experienced while looking for a job.
20	Please describe any jobs you have had since arriving in New Zealand. How did you find that job in the first place? How easy was it to get that job?
21	Where did the idea to start a business come from? Who encouraged you to start your business?
22	In terms of socialising or business contacts, who do you socialise with in general? And who are your business contacts or mentors?
23	How do you find New Zealand people and society in general? In terms of welcoming you. Please mention any good or bad experiences you have had that affected you in respect of the society.
24	What about New Zealanders and in organisations in terms of employment? How easy is it to get a job? Is there equal opportunity for everyone in New Zealand?
25	Describe your business please, in terms of industry, type, workforce and scale.
26	Why did you choose to start your business in this industry?
27	What previous experience assisted you to start your business?
	<b>BUSINESS SUCCESS</b>
28	Did you ever own a business before? If yes, then how successful were those businesses?
29	Is your current business a success in your view? How do you judge business success? Or what makes a successful business in your view?
	<b>MEETING THE CHALLENGES OF START-UP</b>
30	Describe the assistance you had starting your New Zealand business.
31	What were the challenges that you faced when you started your business?

32	What are the challenges that you face at the moment?
33	How has your business changed over time?
	<b>THE SOCIAL DIMENSIONS OF START-UP EXPERIENCE</b>
34	Please describe your experience of starting a business in New Zealand.
35	What advice would you like to give to other refugees/immigrants who want to start a business in New Zealand?
36	What would you do differently if you were able to go back and start again?
37	What were the things you did that worked well?
38	How easy was starting your business? Explain please.
39	How important were family in the process of starting a business in New Zealand? Explain please.
40	How important were fellow refugees or immigrants you knew in New Zealand? Explain please.
41	How important were friends who were New Zealanders? If any? Explain please.
	<b>ENTERPRISE ORIENTATION</b>
42	What do you aspire to achieve?
43	How do you describe yourself? How does this compare with how you described yourself when you first started your business?
44	What do you think are the attributes of an entrepreneur? Do you consider yourself to be an entrepreneur? Explain please.
45	If you were back in your homeland would you have started a similar business? If not, what would you have done for a living?
46	What would be your ideal choice of job/business in New Zealand? If you had that job/business, would you have given up your current business?
47	What are your plans for your business?